

Annual Report **'15**  
A year with **different**  
**dimensions**



Your basket of opportunities

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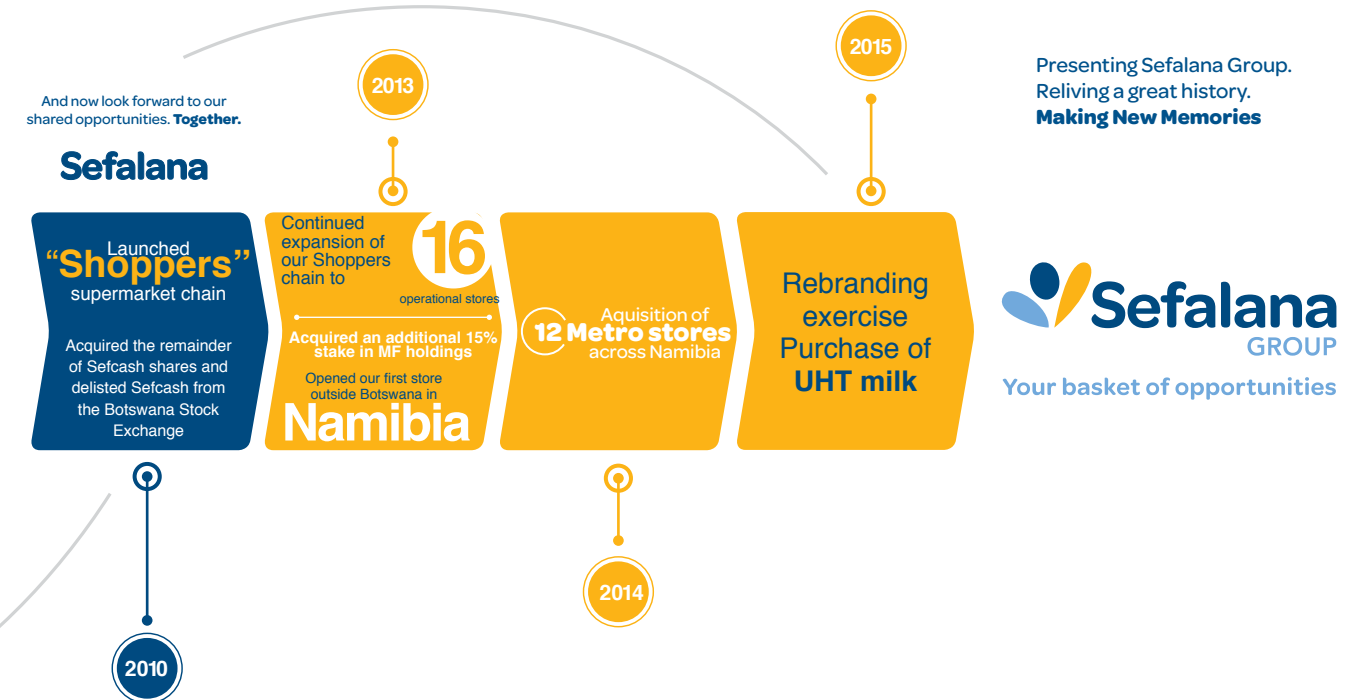
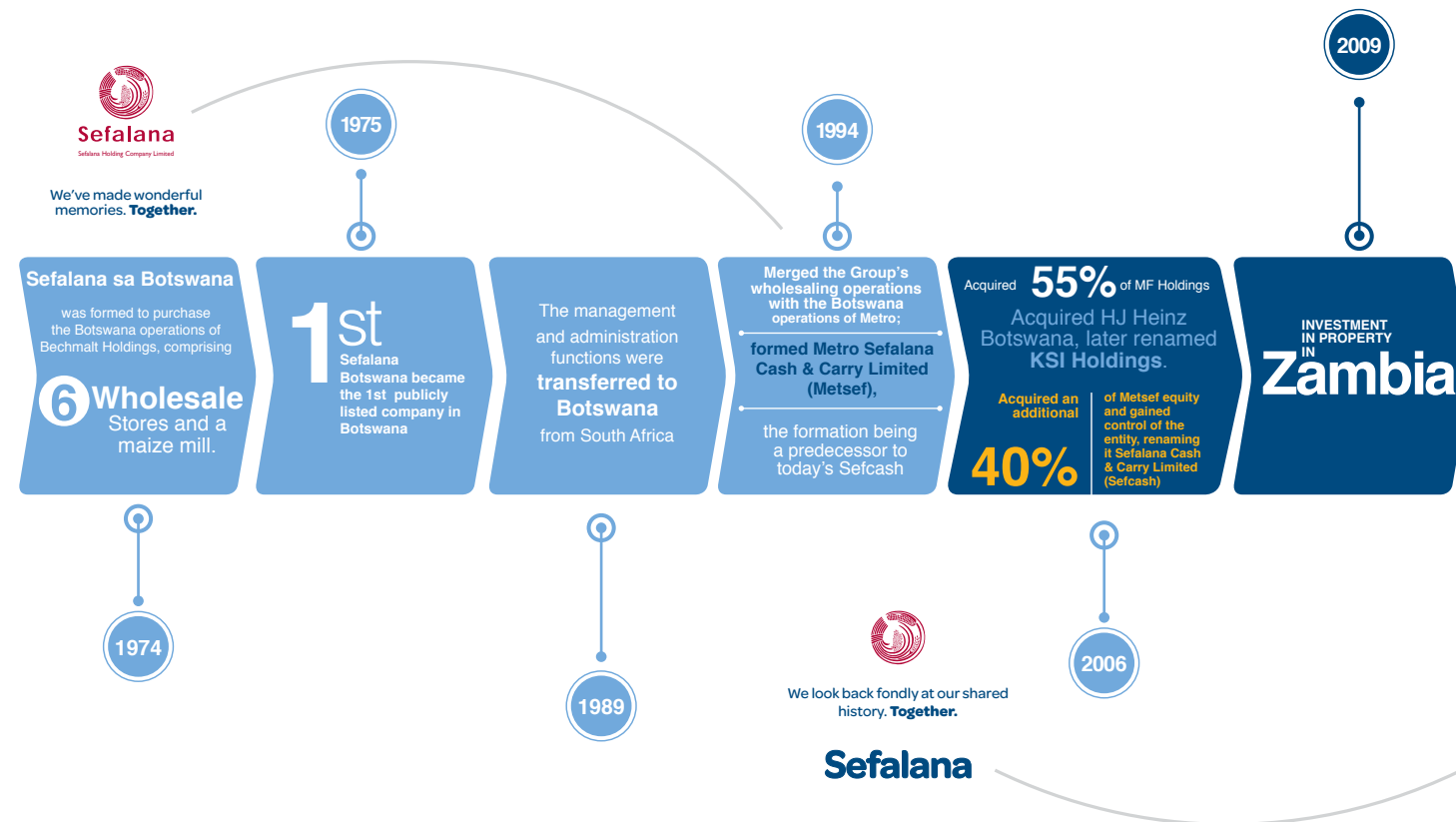
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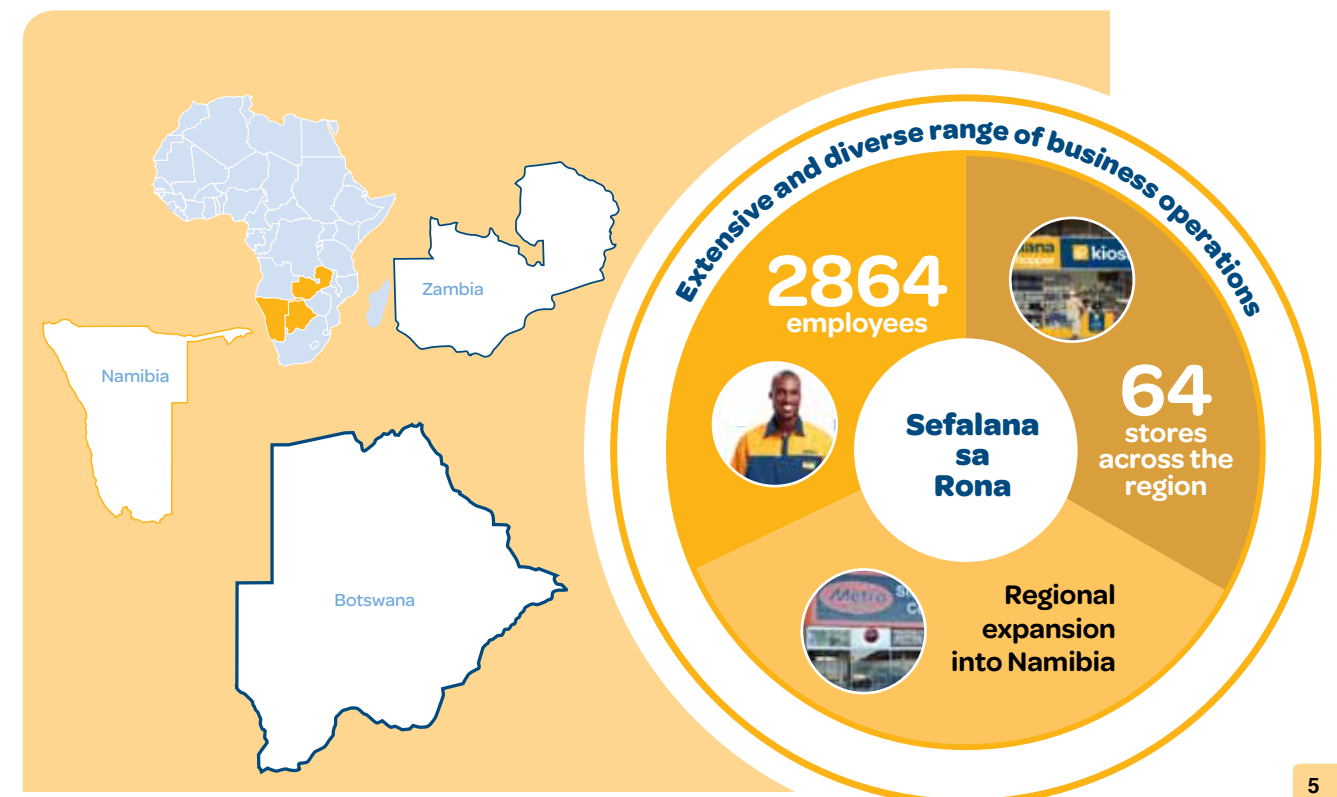


## Our Foundations

The year 1974 not only saw the third successive post - independence victory of the Botswana Democratic Party, but also witnessed the birth of Sefalana sa Botswana. Our operations commenced through purchasing the local activities of Bechmalt Holdings Limited, a South African company consisting of 6 wholesale units, 1 maize mill and a staff complement of 233 individuals. In 1975, Bechmalt Holdings Limited offered its shares to the public, making it the first public listed company in Botswana and the only public company for several years thereafter.

In an effort to localise control and become a truly Botswana company, Sefalana Holding Company Limited was formed in 1986. Through this company, we were able to purchase the remaining shares held by the South African Shareholders at that time, incorporate Sefalana sa Botswana under our wing and move our management and administrative functions from Boksburg, South Africa to Gaborone.

Sefalana, 'The Bountiful Granary' a name chosen by the well - known Motswana poet, Mr. MLA Kgas a was formed by the people of Botswana, for the people of Botswana.





## CORPORATE INFORMATION

### SEFALANA HOLDING COMPANY LIMITED

Sefalana Holding Company Limited is incorporated in Botswana - Company number 86/1025

### SECRETARY

Gofaone Senna  
Email: companysecretary@sefalana.com

### BUSINESS ADDRESS

Private Bag 0080  
Gaborone, Botswana  
Telephone: (+267) 3913661  
Fax: (+267) 3907613

### REGISTERED OFFICE

Plot 10038  
Corner of Nelson Mandela Drive  
and Kubu Road  
Broadhurst Industrial Site  
Gaborone, Botswana

### AUDITORS

PricewaterhouseCoopers  
P O Box 294  
Gaborone, Botswana

### BANKERS

African Banking Corporation of Botswana Limited  
Barclays Bank of Botswana Limited  
First National Bank of Botswana Limited  
First National Bank of South Africa Limited  
First National Bank of Namibia Limited  
Stanbic Bank Botswana Limited  
Standard Bank Namibia Limited  
Standard Chartered Bank Botswana Limited  
Zambia National Commercial Bank

### SHARE TRANSFER SECRETARIES

Transaction Management Services (Pty) Limited  
trading as Corpserve Botswana  
Transfer Secretaries  
Unit 206, Building 1, Plot 64516  
Showgrounds Close, Fairgrounds, Gaborone  
P O Box 1583, AAD, Gaborone, Botswana

## Our Sefalana The beginning of a new era

Sefalana, Botswana's Bountiful Granary, came into existence in 1974 and was the first company to list on the Botswana Stock Exchange in 1975. We are proud to proclaim that to this day, after over 40 years of operation and an ever changing business environment, our Group remains the only listed company without a controlling shareholder. This allows us to maintain our status as a truly Botswana company, made for the people of Botswana, by the people of Botswana.

Sefalana Group first emerged as a result of a takeover of Bechmalt Holdings Limited, a South African company consisting of 6 wholesale units, 1 maize mill and a staff complement of only 233 individuals. Through the 4 decades of history, the Group has built on this foundation and now operates in a number of sectors including over 60 stores in the Fast Moving Consumer Goods ("FMCG") sector within Botswana and Namibia.

Whilst our core business is in the FMCG sector, the Group remains well diversified with a solid property portfolio both in Botswana and neighbouring Zambia, 3 motor dealerships (MAN, TATA and Honda), agencies for the sale of industrial and agricultural equipment, and a well - established grain mill in Serowe, providing nutritious meals for the country's population. In recent months the Group has embarked on expanding its manufacturing presence in Botswana through the acquisition of UHT milk and juice plants.

As a Group, we are dedicated to being of service to our customers and to maximising profits for our Shareholders whilst at the same time improving the wellbeing of our employees and the people of Botswana and other regions where we have a presence. Each of our business units is driven by an experienced and empowered management team, supported and overseen by our Head Office. Our management principles and performance underpin the way in which we operate. Our staff complement has increased tenfold from just 233 people in 1974 to over 2 800 people in 2015.

Our achievements this year include a successful Rights Issue transaction which allowed our Group to raise the necessary funds to acquire the Metro Group in Namibia. We disposed of one non - core business and also enhanced the manufacturing capabilities within the Group.

Throughout the year, Sefalana has been working towards strengthening its brand and image, reaffirming to the people of Botswana that Sefalana is your company – Sefalana Sa Rona. We pride ourselves in offering our stakeholders a basket of opportunities each and every year.

We strive to be the leading choice for the people, particularly in our retail and wholesale operations. We will continue to play a meaningful role in the growth and development of our country and to build greater confidence of our Shareholders and potential investors.

We look forward to further developing our FMCG business and related businesses, providing quality, value, and greater choice to our cherished customers.

A new era - re - living a great history, making new memories...

## Sefalana sa rona – Tshimologo ya setlha se se sesha

Kompone ya Sefalana e thamilwe ka ngwaga wa 1974. Sefalana e ne ya nna kompone ya ntlha mo Botswana go kwadisa le ba kompone ya diabe ya Botswana Stock Exchange, go abela Batswana diabe.

Re motlotlo go lo itsise gore, go fitlhelela gompiono, morago ga dingwaga di le masome a mane (40) re ntse re tswelletse mo kgwebong, Sefalana ke yone kompone fela e e leng gore diabe tsa yone ga di mo diatleng tsa batho bale bangwe, di aname le Batswana ka bontsi. Ka jalo, se sa refa seriti sa boammaruri go nna kompone ya Botswana, ee diretsweng sechaba sa Botswana, ke batho ba Botswana.

Ditirelo tsa kompone ya Sefalana, di simologile ka go reka madirelo a mo gae a kompone ya Bechmalt Holdings Limited, e e neng e tlhologa kwa Afrika Borwa, e na le makalana a le marataro (6), madirelo a tshilo ya mmidi le bodiredi bo le makgolo a mabedi le masome a mararo le boraro (233).

Mo dingwageng tse di masome a mane tse di fitileng re bone kgolo ee itsetsepetseng. Re tsamaisa madirelo a le mmalwa, a akaretsa mabentlele a le masome a marataro (60) mo lekalaneng la tsa dijo mo Botswana le ko lefatsheng la Namibia.

E re ntswa re remeletse mo kgwebong ya thekiso ya dijo, re tswelletse ka go kabakanya madirelo a rona ka peeletso mo go tsa dikago mono gae, le ko lefatsheng la Zambia, madirelo a thekiso ya dikoloi ale mararo (3) aa itsegeng ka (MAN, TATA le HONDA), thekiso ya di dirisiwa tsa madirelo le di dirisiwa tsa temo. Mo bosheng, Sefalana e ne ya tswelela ka go anamisa madirelo a yone mo Botswana ka go reka madirelo a mashi le dino tsididi.

Re le ba kompone ya Sefalana, re ikemiseditse go direla Bareki ka natla le ka botswerere, le gore babeeletsi ba bone dipoelo tse di nametsang. Re ntse re tokafatsa matshelo a badiri le sechaba sa Botswana, mo mafelong otlhe a re anameng le one.

Makalana a rona a kgwebo a eteletswe pele ke bodiredi jo bo nang le kitso le bokgoni jwa tlhwatlhwa, ka fa tlase ga tlhokomelo ya ofisi kgolo. Maitlamo le maduo a boeteledipele ke seriti sa ka fa re dirang ka teng.

Tswelelopele ya rona mono ngwaga, e akaretsa thekiso e e atlegileng ya thekiso ya diabe ele tsela ya go kokotletsa madi go reka marekitsetso a Metro ko lefatsheng la Namibia. Rene gape ra rekisa madirelo mangwe a rona, re bo re tokafatsa bokgoni jwa madirelo otlhe.

Mono ngwaga re fetotse letshwao la rona, go ipaya mo tebegong ee tsamaelanag le dinako tsa gompiono go supa fa Sefalana e le kompone ya Batswana tota. Re ipelafatsa ka go fa bana le seaba tshono ya matlotlo ngwaga le ngwaga.

Re ikemiseditse go tswelela re le kgwebo ya maemo a ntlha go botlhe, go tlhabolola itsholelo ya lefatsheng la rona le go supa boikanyego mo babeeletsing.

Re tswa kgakala, re gatetse pele, re lebile setlha se sesha...



## Financial Highlights

Headline performance		
For the year ended 30 April	2015	2014
	P'000	P'000
Revenue	3 463 960	2 368 466
Profit for the year attributable to equity holders of the parent	142 300	118 165
Total comprehensive income attributable to equity holders of the parent	162 198	142 518
Shares in issue at beginning of year (number)	185 723 463	185 723 463
Additional shares from Rights Issue (number)	37 144 723	
Shares in issue at end of year (number)	222 868 186	185 723 463
Weighted average shares in issue during the year (number)	217 625 286	188 074 395
Basic earnings per share (thebe)	65.39	62.83
Total comprehensive income per share (thebe)	74.53	75.78
Dividends per share (thebe) - ordinary - paid	10.00	10.00
Dividends per share (thebe) - ordinary - proposed	20.00	12.50
Dividend cover (times)	2.18	2.79
Net asset value per share (thebe)	468	364
Market price per share at year end (thebe)	1152	776
Value added statement		
	2015	2014
	P'000	P'000
<b>Wealth created</b>		
Revenue	3 463 960	2 368 466
Payments to suppliers and providers of services	(3 078 641)	(2 050 902)
Value addition	385 319	317 564
Share of results of associate and joint venture	583	35
Interest income from bank deposits	17 668	5 376
Total wealth created	403 570	322 975
<b>Wealth distribution</b>		
To employees	181 497	141 827
To providers of capital	57 906	62 840
Government for taxes	38 676	30 094
Total wealth distributed	278 079	234 761
<b>Wealth retained in the business</b>		
To maintain and develop operations of the Group	125 491	88 214
<b>Number of employees of the Group</b>	2 864	2 264

## Shareholder Information

### Analysis of shareholders

	30 April 2015		30 April 2014	
<b>Shareholders with an individually significant interest in Sefalana Holding Company Limited</b>				
Botswana Public Officers Fund	92 590 311	41.55%	75 841 753	40.84%
Motor Vehicle Accident Fund	23 996 123	10.77%	19 996 769	10.77%
Debswana Pension Fund	16 145 408	7.24%	11 325 940	6.10%
Chandra Chauhan	11 287 322	5.06%	9 336 901	5.03%
	144 019 164	64.62%	116 501 363	62.74%
<b>Summary by class of Shareholders:</b>				
Insurance companies, pension funds and nominee companies	195 883 299	87.89%	160 909 459	86.64%
Individuals and others	26 983 628	12.11%	24 814 004	13.36%
<b>Total</b>	<b>222 866 927</b>	<b>100.00%</b>	<b>185 723 463</b>	<b>100.00%</b>
Shares held by citizens (individuals and institutions)	204 726 164	91.86%	167 051 039	89.95%

### Stock Market Information

Number of shares traded (000)	20 959	2 738
Value of shares traded (P'000)	179 841	17 703
Share price for the period (thebe):		
Lowest	740	440
Highest	1152	776
Closing	1152	776
Market Capitalisation at year end (P'000)	2 567 427	1 441 214

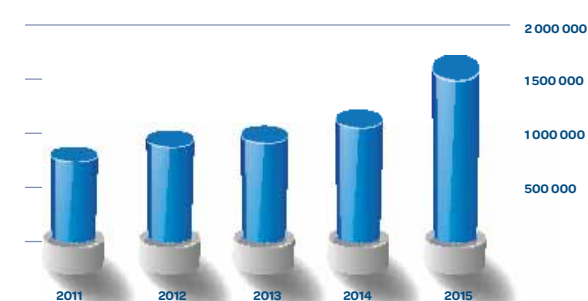
### Shareholders' calendar

Financial year end	30 April 2015
Announcement of audited results	31 July 2015
Annual General Meeting	30 October 2015
Announcement of half year results	end of January 2016



## Five Year Trending

Total Assets (P'000)



Revenue (P'000)



Growth in profitability over the last three years has been impressive. From P109 million declared in April 2012, we have increase on average **25%** a year to **P191 million in 2015**. This growth was predominantly through the increased focus on the core segments within our Group, and the improved performance by our Retail supermarkets. In the current year, results were enhanced by the Metro Namibia business. We are now a leading brand in the Botswana and Namibian markets and endeavour to further strengthen our position going forward.

Profit before tax (P'000)



Total comprehensive income (P'000)



## Financial Record History

	30 April 2015	30 April 2014	30 April 2013	30 April 2012	30 April 2011
	P'000	P'000	P'000	P'000	P'000
					*(restated)
<b>Comprehensive Income</b>					
Revenue	3 463 960	2 368 466	2 350 399	2 103 634	1 902 194
Profit from operations	190 563	155 689	147 004	108 564	68 811
Share of results from associate and joint venture	583	35		181	(437)
Income tax expense	(38 676)	(30 094)	(26 787)	(21 888)	(18 972)
<b>Profit for the year</b>	<b>152 470</b>	<b>125 630</b>	<b>120 217</b>	<b>86 857</b>	<b>49 402</b>
Other comprehensive income	19 502	23 828	16 524	49 965	68 790
Non - controlling interests	(9 774)	(6 940)	(7 507)	(7 607)	(4 003)
<b>Total comprehensive income for the year attributable to equity holders of the parent</b>	<b>162 198</b>	<b>142 518</b>	<b>129 234</b>	<b>129 215</b>	<b>114 189</b>
Earnings per share (thebe)	65.39	62.83	61.50	45.42	26.49
Total comprehensive income per share (thebe)	74.53	75.78	69.73	70.02	64.39
Dividends per share (thebe)	30.00	22.50	29.00	28.00	15.50
	30 April 2015	30 April 2014	30 April 2013	30 April 2012	30 April 2011
	P'000	P'000	P'000	P'000	P'000
					*(restated)
<b>Financial position</b>					
Property, plant and equipment	427 123	356 682	322 969	319 277	283 731
Investment property	176 479	171 165	132 281	108 261	72 052
Intangible assets	144 369	31 680	28 414	26 349	25 803
Leasehold rights	741	1 482	2 221	2 962	3 703
Investment in associate	3 466	2 335		4 921	5 599
Investment in joint venture	1 631				
Property development loan		198	435	640	818
Deferred rental	2 510	2 073	2 388	2 241	1 775
Deferred tax assets	13 066	10 594	8 067	3 770	8 529
Retirement benefit assets	7 334	13 187	16 493	18 731	21 512
Current assets	935 475	594 298	527 933	544 442	391 028
Asset classified as held for sale	7 164				
Current liabilities	(481 453)	(374 374)	(333 373)	(397 509)	(308 122)
Non - current liabilities	(139 386)	(87 637)	(78 029)	(80 957)	(69 973)
Non - controlling interests	(54 821)	(46 507)	(39 565)	(40 073)	(31 397)
<b>Equity attributable to equity holders of the parent</b>	<b>1 043 698</b>	<b>675 176</b>	<b>590 234</b>	<b>513 055</b>	<b>405 058</b>

\* Restated to comply with the requirement of International Accounting Standards (IAS 19 and early adoption of amendments to IAS 12).



**Dr Keith Jefferis (58)**

Keith is a Development Macroeconomist and a financial sector specialist. He is the Managing Director of EconSult Botswana (Pty) Ltd, and is a former Deputy Governor of the Bank of Botswana. His current activities include work on a range of macroeconomic, financial and other development policy issues in Botswana and elsewhere in Sub-Saharan Africa. He has consulted for international organisations such as the World Bank, the African Development Bank, USAID, UNIDO and UNDP. He has served on the Committee of the Botswana Stock Exchange, the Board of Botswana Insurance Holdings Limited, and the Botswana Insurance Fund Management Investment Committee. Keith holds a BSc. in Economics and Statistics from the University of Bristol, MSc. in Economics from the University of London and a PhD in Economics from the Open University (UK). He was appointed to the Board of Sefalana in April 2014.

**Reginald Motswaiso (51)**

Reginald is a Fellow Chartered Certified Accountant as well as an Associate Member of the Chartered Institute of Management Accountants, all obtained while at AT Foulkes Lynch in London. He holds a Bachelor of Commerce degree from the University of Botswana. He held Board positions at PEEPA, the BSE and Standard Chartered Bank Botswana and other regional bodies including the African Union for Housing Finance, of which he is the immediate past Chairman. His interest and experience are in the fields of Finance, Banking, Strategy and Leadership. He is currently the Chief Executive Officer of Botswana Housing Corporation. Reginald was appointed to the Sefalana Board in January 2008.

**Jenny Marinelli (57)**

Jenny is a Fellow Chartered Accountant who came to Botswana in 1987 and worked with Deloitte & Touche; she was admitted to the Deloitte partnership in 1989, until 1999 when she retired. Jenny has a financial consultancy practice where she is active in consulting to various organisations throughout Botswana. Jenny has been involved with Sefalana, in various guises since 1987 and was appointed to the main Board in 2001. She is also a non-executive Director of Stanbic Bank Botswana Limited.

**Hans Kampmann (52)  
(Sefalana Cash and Carry - Managing Director)**

Hans completed a Senior Management program at the University of Stellenbosch and a Management Development program with UNISA prior to starting his career in Retail and Wholesale. He joined the Sefalana Group in 1996 and was appointed General Manager. Hans was promoted to the role of Managing Director of Sefalana Cash and Carry Limited in 2009 and was appointed to the Sefalana Board in July 2012.

**Dr Ponatshego Kedikilwe (77)  
Chairman**

Dr Kedikilwe was appointed as Chairman of Sefalana on 1 December 2014 following the passing of the late Chairman, Mr Julian Nganunu. Dr Kedikilwe brings a wealth of experience to Sefalana having served in the following positions in his illustrious career; Vice President of Botswana; Minister of Minerals, Energy and Water Resources; Minister of Education; Minister of Finance and Development Planning; Minister of Trade and Industry; Ministry of Presidential Affairs and Public Administration and Assistant Minister of Finance and Development Planning.

Dr Kedikilwe held various leadership positions including; Board member of BDVC and Bank of Botswana, Alternate Governor for the International Monetary Fund; Chairman of Presidential Commission on Education; Chairman of the University of Botswana; Chairman of the Central Tender Board; Permanent Secretary of Works and Communications Ministry; Director of Public Service Management and Director of Financial Affairs in the Ministry of Finance and Development Planning.

During his career, Dr Kedikilwe received the Presidential Order of Honour for Distinguished Public Service in 1992, Grand Cordon of the Order of the Rising Sun, awarded by the Emperor of Japan in 2011 and Naledi Ya Botswana in 2014.

**Chandra Chauhan (53)  
(Group Managing Director)**

Chandra is a Chartered Accountant who trained and qualified with KPMG in the United Kingdom. A Zambian by birth, he became a naturalised citizen of Botswana and has over the years become a very successful entrepreneur and respected businessman. He is currently the Group Managing Director, having been appointed to the Board in 2003. He has been responsible for turning around and restructuring Sefalana and has seen its market capitalisation increase from P64 million in 2004 to its current capitalisation of P2.6 billion. He is also a Non-Executive Director of Botswana Insurance Holdings Limited, a company listed on the Botswana Stock Exchange having been appointed to its Board in April 2009. He is the Chairman of the Board of Botswana Insurance Fund Management. Chandra has a BAcc (Hons) from the University of Zimbabwe, ACA (England & Wales) and ACA (Botswana).

**Mohamed Osman (38)  
(Group Finance Director)**

Mohamed is a Fellow Chartered Accountant who trained with KPMG and Ernst & Young in the UK for over 10 years. He joined Sefalana as the Deputy Finance Director in March 2012 and was promoted to the position of Group Finance Director in December 2013. He worked closely with a number of Retail and Manufacturing businesses in the UK having spent 15 years away from Botswana. Mohamed graduated with a BCom (Hons) degree from the University of Birmingham in the UK and qualified under the Institute of Chartered Accounts of England and Wales (ICAEW). He has an MBA in International Management from Edinburgh University in Scotland. Mohamed also serves as the Principal Officer of the Sefalana Group Pension Fund.

**Elias Dewah (73)**

Elias was appointed to the Sefalana Board in January 2008. He holds a diploma in Agriculture, a BA degree in Economics and Accounting, and an MBA in Industrialisation and Strategic Business Management. Elias worked for the Government of Botswana in different capacities for many years. He served the Botswana Confederation of Commerce, Industry and Manpower, as Deputy Executive Director and as Executive Director until his retirement in 2006. Currently, Elias is a private consultant specialising in the promotion of Public-Private Dialogue, Business Organisations Training, General Business Administration and Management. Elias received the Presidential Order for Meritorious Service (PMS) in 2007. Elias Dewah has recently been invited to join the Free Enterprise and Democracy Network (FEDN).

Our performance...

↑  
**48%**  
Share price increase

↑  
**82%**  
Turnover has increased  
over the last 3 years

**65** thebe  
basic earnings per  
share

**A fresh start...**

It pleases me to have accepted appointment as Chairman of the dynamic, progressive and enterprising Sefalana Group.

Since my appointment in December 2014, I have visited a number of our stores and other operating sites, including a visit to Nambia as well as participating in Group Strategy and Risk Management workshops. I have been struck by the commitment, competence and enthusiasm evidently shown by Sefalana employees. I am confident that through their dedication and teamwork, Sefalana will continue to deliver along the successful path it has followed for a number of years.

Our Shareholders expect their Group to be run in a responsible, sustainable and transparent manner. As such, my priority is to ensure sustainable, highest levels of governance and reporting. Ever cognisant of our fiduciary responsibility to stakeholders, we are bound to continue to cater for their needs in the way we do business.

**A look back...**

Over the last four decades, Sefalana has undergone years of economic change and structural transformation. From an initial 6 store wholesaler and a maize mill in 1974, the Group has expanded to an operation of 25 cash and carry stores ("Sefalana Cash and Carry"), 21 retail supermarket stores ("Sefalana Shopper") and 3 Hyper stores ("Sefalana Hyper") and 1 convenience store ("Sefalana Quick"). With a stronger than ever focus on fast moving consumer goods ("FMCG"), the Group is growing its market presence. Other parts of the business including the investment in property, vehicle dealerships (MAN, TATA and Honda), and the sale of agriculture and construction equipment along with the manufacture



of grain based products. This has enabled the Group to remain well diversified and virtually cushioned against difficult trading conditions.

The year 1987 brought with it the localization of our shareholding allowing the Group to enter a new era with 90% of shares being held by Batswana. We have maintained this profile ever since. Our largest Shareholders today are some of the largest Pension Funds of Batswana. We take pride in offering our Shareholders a basket of opportunities. Sefalana Group is, by definition, proving to be a trustworthy traditional granary of opportunities.

A look forward...

Our deep roots in the country and our history has positioned us well for the future. The Group has signaled its intention to grow locally and regionally through continually seeking out suitable locations for new store openings. We have seen impressive growth in our Namibian operations from one store in the prior year to a total of 13 stores in the current year. We are proud of our expansion and are excited about further growth prospects in the wider African region. During the year, Sefalana also embarked on the transformation of its brand, allowing our Group to unite our various businesses under the umbrella of a single brand.

The future brings with it a wave of change, allowing us to serve our customers in new and exciting ways. I have due trust in the Group's ability to achieve significant growth and I am enthusiastic about what the future holds. Through enhancing our merchandising, focusing on price leadership and through augmenting our customer service, limitless opportunities abound.

Our performance...

A solid performance has been achieved by the Group as Sefalana continues to move from strength to strength through its core business segments. Turnover has increased by over 82% over the last 3 years. Earnings per share have almost doubled from 34 thebe in 2009 to 65 thebe in the current year. Our shares continue to trade well with our share price having increased 48% in the year. We pride ourselves on an impressive return to our Shareholders. Further analysis of the results is contained in the reports by the Group Managing Director and Group Finance Director.

The economy...

I have it on good authority that the performance of the Botswana economy improved in 2013 / 14, continuing the recovery after the 2008/09 global economic crisis with real GDP growth at 5.4% in 2014. 2015 has seen some strain with only a modest growth in non – mining activities and real GDP estimated at 4.5%. We do appreciate efforts that are being made to address the current challenges of utilities supply. A decline in the level of global diamond sales has also contributed to the difficult trading conditions experienced. Inflationary pressure has however reduced and is expected to remain within the 3 - 6% target set by the Bank of Botswana.

I am optimistic that a gradual economic revival will take place and will ultimately lead to an increase in spending power in the local economy in the next year or two. Our Group is well positioned to buttress the effect of this downturn through its diversification – something not seen in very many shares listed on the Botswana Stock Exchange.

Our Board...

The Group has a strong Board composition with business expertise ranging from retail to strategy and from finance to compliance. The diverse experiences and perspectives of our Board members provide a fundamental foundation to our management team and form the backbone of our business through refining the business strategy and responding to changing customer needs.

Our commitment to Board independence and corporate governance is illustrated by having 5 of our 8 Directors being independent. During the year, we bid farewell to Mr. Julian Nganunu, my high school mate, who passed away in September 2014. Mr. Nganunu's constructive contribution and commitment to our Group will always be remembered.

As I succeeded the late Julian Nganunu as Board Chairman, I am honoured and take this opportunity to thank my fellow Directors on the Board, Senior Management teams and all the staff for their hard work and dedication to our Group.

Dr. PHK Kedikilwe, PH, NYB  
Chairman







The Namibian business made a significant contribution of over P800 million to the Group's turnover and earnings before interest, tax and amortisation ("EBITA") of P26 million. This represented 23% of Group turnover and 14% of Group EBITA, respectively. We are very proud of these results and expect this to be a sizable and growing segment going forward.

**23%**

of Group turnover

**14%**

of Group EBITA







## Yet another great year for Sefalana!

We are happy to report that, despite some challenging economic conditions during the year, and significant increases in the cost of borrowing across the country, coupled with on - going pressure on consumer and Government spending, Sefalana has remained competitive, achieving an overall profit before tax of P191.1 million for the year.



University of Botswana Disability Support Services  
Donation Speech



Results Presentation 2015

This represents a 23% growth in profit compared to the comparative year to 30 April 2014 ("the prior year").

The Group predominantly grew its profit through continued focus on the core businesses, in line with the Group's strategy. This included the Group's first major acquisition in Namibia which has yielded strong performance since take over in July 2014.

### Expansion into Namibia

During the year, the Group acquired the entire Metro chain in Namibia, consisting of 12 stores strategically located across the country, increasing our store compliment in the country to 13. The Group results for the year include 10 months of trading post acquisition.

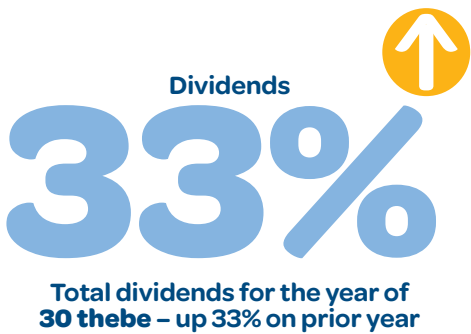
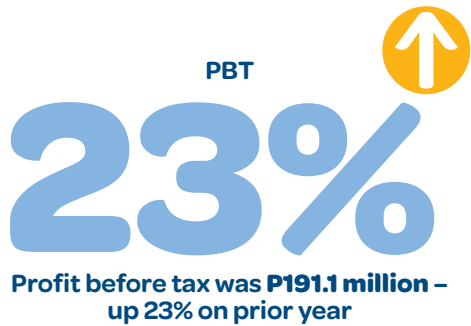
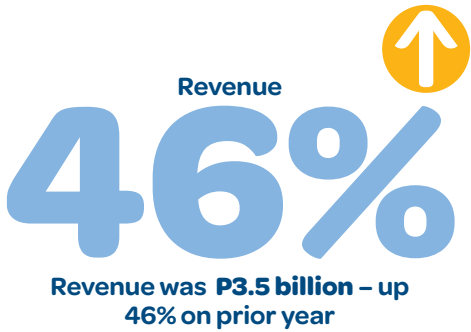
To fund this acquisition, a Rights Issue program was undertaken soon after the 2014 year end. This was very successful and was significantly oversubscribed, illustrating the market's confidence in the Group and its future prospects. Our share price has increased from the Rights Issue price of P6.95 in July 2014 to its current price of around P12.50 – an impressive 80% increase in 12 months.

**23%**  
growth in profit



Financial Highlights

For the year ended 30 April 2015, the Group's



Sefalana continues to evaluate other territories across Southern Africa and will look to enter those areas in due course, if considered feasible.

Segmental reporting

The Group's business and geographical segments are reported separately. Inter - segment transactions are eliminated and costs of shared services are accounted for in a separate ("Inter - segment or Unallocated") segment. The additional segment presented this year relates to the Metro Namibia operation. No comparatives are therefore presented for that segment.

Review of operations

Trading – Consumer goods

Botswana Operations

Sefalana Cash and Carry Limited contributed 65% and 47% of the Group's revenue and profit before tax for the year respectively. At the beginning of the financial year, Sefalana operated 3 Hyper Stores ("Sefalana Hyper"), 25 cash and carry stores ("Sefalana Cash and Carry") and 18 supermarket retail stores ("Sefalana Shopper") across the country. During the reporting year, we increased our market presence by opening 2 additional supermarkets in Tlokwen and Ghanzi as well as refurbishing our store in Orapa. This brought our total number of retail outlets to 20 and total number of stores across Botswana to 48 at the year end. We also opened our first "Quick store" in Mogoditshane after the year end in June 2015, and a Sefalana Shopper in Hukuntsi in August 2015. We recognize and appreciate the very strong loyalty shown by our existing and expanding customer base. During a time where pressure on disposable income is clearly evident

in the Botswana market, this is a very positive indicator to us that the Sefalana brand is gaining more and more traction across the country. Further detail of our rebranding exercise is presented below.

Whilst performance for this segment year on year was flat, this was on the back of significant growth in previous years. We look towards greater growth and success in this segment during the ensuing years as the local economy recovers. We continue to seek additional suitable locations for further store openings as we move towards our target of 70 stores across Botswana. Our model remains to be focused on opening new stores only where it is viable and does not cannibalise other existing Sefalana stores.

We are extending our range of house brands and hope to have these in store by November 2015. This will provide our customers with a wider range of products and prices that provides them with an opportunity to make some great savings. We aspire to be "Your family value store".

Namibian operations

This acquisition was a major focus area for us this year and has enabled our Group to achieve a very significant presence in Namibia in a short space of time. These newly acquired stores outperformed the comparative period under its previous owners by over 15% for the 10 month results since take - over. We continue to operate under the Metro name as this is a well - established brand in Namibia. Total consideration paid for the business was N\$149 million exclusive of inventory.

The Namibian business made a significant contribution of over P800 million to the Group's turnover and P26 million to earnings before interest, tax and amortisation ("EBITA") respectively. This represented 23% of Group turnover and 14% of Group EBITA. We are very proud of these results and expect this to be a sizable and growing segment going forward.

We are very excited about this new market and look forward to extracting further value from it for our Shareholders. Other potential sites in Namibia are also being considered for additional store openings.

Trading – Others

At the 2014 year end, we reported that Commercial Motors (Pty) Limited had secured two significant tenders for the supply of vehicles, most of which were to be delivered during the current financial year. The supply and delivery of these units progressed in line with the agreed timetable and has contributed to the very positive results from this segment. We are currently looking to secure additional long term contracts for delivery over the coming years. This should help further establish our brands in the local market which in recent years has started to grow very positively.

Service agreements in respect of vehicles sold to date have provided a positive income stream during the year. These will increase in value as the number of units delivered increases.

Mechanised Farming (Pty) Limited did not previously make a significant contribution to this segment; however, the results for the year have improved considerably following the sale of a number of generators and tractors.

Overall a very strong set of results from this segment with profit before tax of P19.8 million, up 93% on the previous year.



Manufacturing

During the year, Foods (Botswana) (Pty) Limited ("FB") continued to deliver on the second half of the 2013/14 contract for the delivery of Tsabana and Malutu under the Government feeding program. For the remaining months of the year, the business commenced supply of the 2014/15 contract. We therefore did not experience a gap between contracts this year.

Greater emphasis was placed on developing and selling products to non - Government bodies and individuals, in an attempt to reduce dependence on the large contracts. This has been successful and we will continue to focus on this.

The quality of the grain procured has generally resulted in better than expected yields and product quality. We have always supported local farmers as much as possible in the procurement cycle and we are pleased to continue to do so.

FB contributed to 5% of the Group's turnover and 16% (P30. 5 million) of Group profit before tax.

A maize plant was scheduled to be commissioned in Serowe in early 2015. However, some delays were experienced in the upgrading of the site in preparation for this new plant. This additional business is expected to improve Group profitability through efficiencies in the supply chain of maize based products sold by Sefalana in its Retail and Wholesale outlets. It commenced manufacturing in July 2015.

The KSI business which manufactures soaps and detergents has seen an increase in performance during the year, in particular due to its export of products to the Region. This entity is accounted for as an associate company effective 1 May 2013 and is therefore no longer included in the Manufacturing segment or in its comparative disclosure. This business closed the year with a contribution to profit before tax of just over P1.1 million.



University of Botswana Disability Support Services  
Donation of special purpose computers



HGM Children's Home



The new head office entrance being developed

Group properties

Our property portfolio, held in Botswana and Zambia continues to perform well. We look to identify key locations for our store openings and to purchase those properties considered to be strategically positioned to provide long term value for our Shareholders.

We have a number of capital development projects scheduled for the next 2 years. A specific P100m long term (15 years) debt facility was secured and is being used to fund these projects. Development of our new Head Office in Broadhurst was completed in September 2015. Other developments are at an early stage and further updates will be provided in due course.

Our Zambian property is fully let and continues to generate a very good rental stream. The return to the use of the US Dollar in Zambia helped reduce foreign exchange exposure to the Zambian Kwacha. Improved tax legislation for property rental companies also helped to improve the overall earnings generated from that sector.

Prospects

Sefalana remains very optimistic about its future and expects to grow the business through continued focus on core business segments and related businesses along its supply chain.

We undertook a significant brand refresh exercise this year which is expected to consolidate and enhance our brand equity that has been built up over more than 4 decades. We are confident that with the new look and feel of our Group, along with the enhanced product and service offerings, we will grow brand loyalty from our customers. We are looking to introduce a loyalty program and an internet shopping website towards the end of the year that will benefit our customer base and provide them with real value. These are just a few of the initiatives we intend to roll out over the next 12 months.

On 2 July 2015, the Group acquired a UHT milk plant from Delta Dairies (Pty) Limited that was placed under liquidation. We are pleased to announce that the plant is currently being tested and we look to commence production shortly. This is expected to increase profitability of the Group as we look to extract value along the supply chain for some of our house - brands. We are also hopeful of being awarded the school children's milk feeding scheme that our plant is specifically equipped to manufacture for. Juices and other beverages are also expected to be manufactured within the Group in the coming months.

We are currently in discussions with a third party relating to a potential transaction. Further information will be provided to Shareholders in regular cautionary updates.

The Sefalana share price has steadily increased from P7.76 at 1 May 2014 to P11.52 at 30 April 2015. This represents a 48% increase during the financial year.

We are proud to be one of the top performing shares on the Botswana Stock Exchange.

Sefalana – Your basket of opportunities!

Directors

As previously reported, on 1 December 2014, Dr PHK Kedikilwe was appointed Director and Chairman of the Board of Sefalana. Dr Kedikilwe succeeds Mr Julian Nganunu who passed away in September 2014.

Dividend

On 22 July 2015, the Board of Directors of Sefalana Holding Company Limited declared a final gross dividend of 20 (twenty) thebe per ordinary share. This dividend was paid net of applicable withholding taxes as required under the Income Tax Act of Botswana, on Friday 4 September 2015 to all Shareholders registered in the books of the Company at the last date to register, being close of business on Friday 14 August 2015. Total dividend for the year increased 33% compared to the prior year.

CD Chauhan  
Group Managing Director





The last 12 months have been very eventful and exciting for all of us at Sefalana. The most significant aspect was the acquisition of the Metro chain of stores in Namibia. These 12 stores have made a significant contribution to the Group's results for the year and we are very pleased at how quickly we have managed to grow that business. With turnover and profit for the Metro business at almost 20% up since we took over, we are very optimistic about the future of this part of our business. Further commentary regarding the contribution of these stores will follow below. Performance by segment is largely covered in the Group Managing Director's report.



**20%**  
Turnover and profit for the Metro business up 20% since acquisition

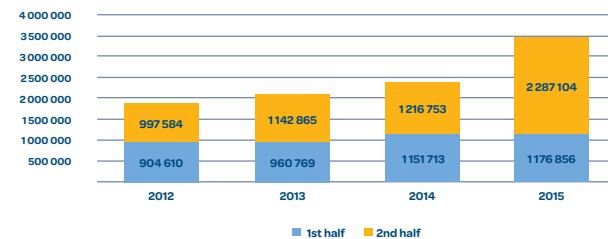
I wish to focus our Shareholders on five key areas:

- 1 Revenue Growth
- 2 Profitability
- 3 Segmental contribution
- 4 Shareholder value and return
- 5 Balance sheet strength

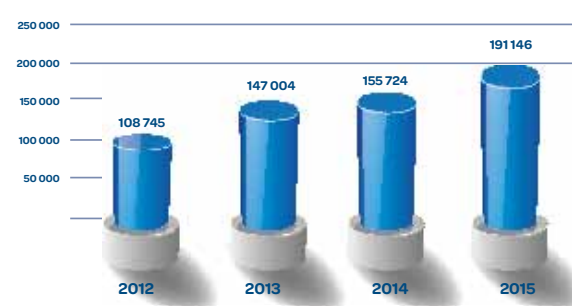


## Group Finance Director's Report (continued)

Revenue (P'000)



PBT (P'000)



### 1. Revenue of P3.5bn – up 82% in 3 years

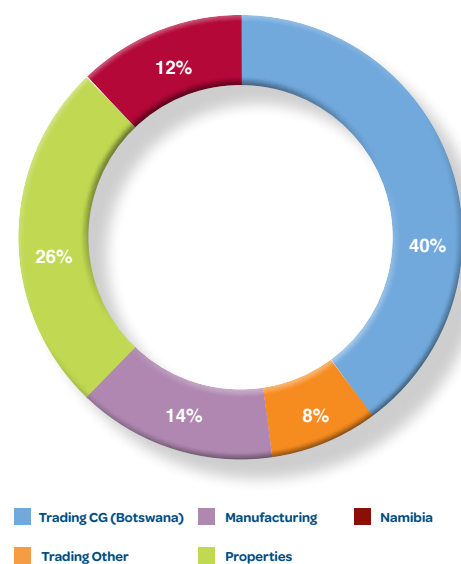
The graph above presents a very significant growth rate in revenue over a 3 year period. The second half of the financial year under review saw a significant increase in revenue largely due to the Metro Namibia business which contributed P0.8 billion to the top line, and the delivery on some large vehicle deals by our motor division. Our food manufacturing business also continued to deliver consistently on the Government feeding scheme throughout the year. For the forthcoming year we are anticipating an even higher level of revenue as the contribution from the Namibian business will be for a full 12 month period.

### 2. Profit Before Tax - up 76% in 3 years

Growth in profitability over the last three years has been impressive. From P109 million declared in April 2012, we have increased on average 25% a year to P191 million in 2015. This growth was predominantly through the increased focus on the core segments within our Group, and the improved performance by our Retail supermarkets. In the current year, results were enhanced by the Metro Namibia business. We are now a leading brand in the Botswana and Namibian markets and endeavour to further strengthen our position going forward. Capital gains on the property portfolio have been significant in previous years. The current year results include a relatively lower level of gains in line with the movement in the property market in Botswana.

FMCG sector which appears to be very buoyant and promising. Trading others includes the motor division which generated its best ever results to date. The property divisions continue to generate a respectable level of rental yields and capital growth. The relative contribution of profit by segment is presented below. We have seen the contribution by the Botswana FMCG division drop as a proportion of Group results as we successfully have diversified the business to mitigate against the difficult trading conditions experienced in Botswana.

Segmental contribution (EBITA)



### 3. Segmental results

The Botswana FMCG market has been fairly flat during the year with an overall 4% decline in profitability. This was offset by a significant contribution by the Namibian

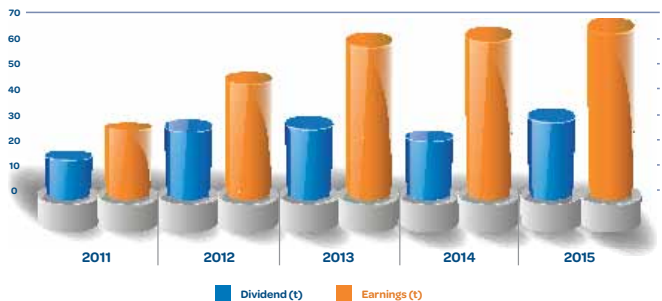
	Revenue (P'million)			EBITA (P'million)		
	2015	2014	Movement	2015	2014	Movement
Trading Consumer Goods	2 234.9	2 103.5	6.2%	86.2	89.8	(4.0%)
Trading - Other	246.6	121.8	102.5%	17.6	8.7	102.2%
Manufacturing	184.2	152.6	20.7%	31.5	22.1	43.0%
Property	33.2	31.0	7.1%	55.9	73.5	(24.0%)
Namibia	807.5	-	-	25.9	-	-
Inter - segment	(42.4)	(40.4)	-	(31.8)	(34.9)	-
	<b>3 464.0</b>	<b>2 368.5</b>	<b>46.3%</b>	<b>185.3</b>	<b>159.2</b>	<b>16.4%</b>



4. Shareholder value and return

Average dividend payout of 41%

We have over the last 5 years maintained an average dividend payout ratio of 41%. In the current year this was increased to 46%. The Rights Issue in July 2014 gave us the opportunity to offer shares to our existing shareholders who often are unable to obtain shares in the market. This Rights Issue was very successful at a 152% subscription. Going forward we will look to continue this level of dividend payout, provided sufficient cash exists in the business.



Impressive share price increase

Our share price has grown tremendously at 318% in 3 years and is one of the best performing shares on the Botswana Stock Exchange.



5. Balance Sheet strength

In June 2014, we undertook a Rights Issue program in which 1 share was on offer for every 5 held by our Shareholders. The Offer shares were issued at a 7% discount as a means of giving value to our loyal Shareholders. We raised P255 million net of expenses and the large bulk of these funds were used to fund the Metro Namibia acquisition. The balance was used to purchase a UHT milk plant which is expected to be commissioned in late 2015.

The issue of equity further strengthened our already very strong balance sheet. We also entered into a debt funding agreement for P100 million to assist with our planned property development. The drawdown of this funding will be over a 2 year period, so that amounts are only drawn down as required. This has helped us maintain an overall very low debt to equity ratio. At the year end, only 50% of this facility had been drawn down.

Our asset ratio (defined as the relationship between total assets and total liabilities) amounted to 2.77 at year end compared to 2.56 at the start of the year.

Net asset value at the year - end amounted to P1.04 billion. Our cash position was strong with closing cash and cash equivalents of P410m. This enabled us to issue a 20 thebe per share final dividend to our Shareholders. Total dividend for the year of 30 thebe per share was up 33% compared to the prior year.

In summary, a very strong balance sheet which has put us in good stead as we progress into the forthcoming financial year.

Key initiatives

Sefalana has seen a significant and notable increase in its profile both in Botswana and Namibia. The Group has embarked on a number of key initiatives that are targeted at improving our offering and increasing our market share.

1. Rebranding

Over the years, Sefalana has experienced some very significant growth and in the process this has resulted in a somewhat fragmented identity. With a large range of brands and names within the Group, we became conscious that this caused confusion in the market with our customers.

We appointed a firm of brand specialists to help us identify our key strength and weaknesses from a branding perspective and reverted to a "back to basics" approach, renaming all our FMCG stores in Botswana, to "Sefalana". We believe that "Sefalana" is the trusted brand in Botswana with over 40 years of equity. Our customers have indicated to us that they place value in Sefalana and everything that it stands for.

Our aim is to give customers what they want - quality, consistency and value. In doing this we developed a tag line for the FMCG division - "Sefalana - Your family value store".




The logos across the Group were all refreshed, but retained the fundamental aspects. A newer, fresher and more modern image was developed and is being rolled out across our Group over the coming months. The look and feel of our Group will now be consistent and recognisable. This has resulted in a lot of excitement both internally within Sefalana, and also in the market place.

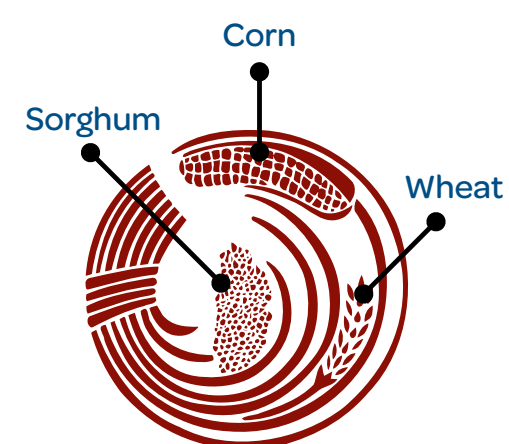
One Brand, One Voice

We have refreshed our Group identity and that of every one of our divisions to unite under the Sefalana name reflecting our history and heritage and what we do for our people and the people of Botswana.

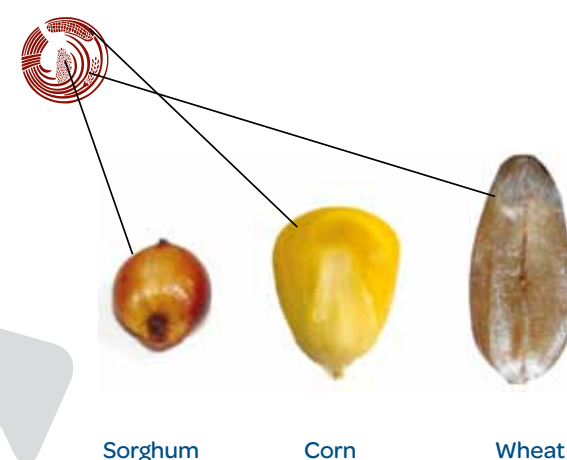


## Brand Transition

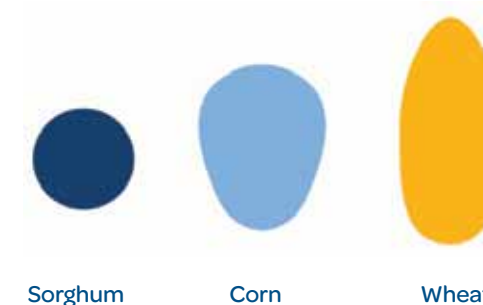
-  The light blue (of the Botswana flag) recognises our roots as a true Botswana company, with the majority shareholding in the hands of our people.
-  The dark blue symbolises the precious commodity of water and the life it sustains.
-  The orange represents the African sun that nurtures life and brings forth warmth, happiness and optimism at the heart of our Group and our brand.



Sefalana Old Logo icon



Logo Transition



Logo Development



A newer, fresher and more modern image for our growing group retaining the fundamental aspects of our roots



2 Online shopping

We have been working with experts in the field and have developed a very user friendly online shopping experience for our customers. This is expected to be launched to the market towards the end of 2015. We believe this will allow the market to have a greater choice in the way they shop.

E - commerce is new to Botswana and we pride ourselves on being the first FMCG business to bring this to market. We are confident that this area of the business will grow as our customers become more sophisticated – something we have seen in recent years.

3. A - Star products

During the year we embarked on developing and expanding our house - brand products. This is to allow us to offer our customers greater choice at competitive prices. We have ensured that the quality of the products is very good and we forecast this to be a great differentiator for us in the market. Some of our range is presented below.



Outlook

In the ensuing year we will look to focus on growing the Namibian business by extracting as much value as possible from those stores. We will also focus on identifying additional stores and locations so that we can build up to our medium term target of 20 stores across the country.

We are also determining the optimal time for the development of a distribution centre that will support the growth of our house - brands and improve profitability on other products.

The Foods Botswana Beverages department has recently been set up and will look forward to growing the UHT milk business along with fruit juices, water and other related products. This is an exciting segment for us and we anticipate some great returns from this part of the Group in a relatively short period.

Our focus continues to be on our core business of FMCG and related products. We pride ourselves on offering our Shareholders a “basket of opportunities” and look forward to reporting some sterling results for the coming years.

M  
Mohamed Osman  
Group Finance Director

SHOP WHEREVER AND WHENEVER | 🔍

on Botswana’s FIRST EVER  
online shopping store! ➡

From 1 November 2015, you can have your pick from the entire range of quality goods and groceries on Sefalana’s ALL NEW online store and have them delivered straight to your door.

You don’t have to come to US, let Sefalana come to YOU!

[www.sefalanaonline.com](http://www.sefalanaonline.com)



Sefalana  
Sa Rona - Your family value store

Terms and Conditions apply. Actual price may differ from the image.

Our Values Charter

Defining our internal conduct as well as our relationship with the external world.

Our values are our guiding principles, derived from our passion and commitment to the way we conduct business. These have resonated throughout our various business sectors and have formed the foundation on which we work and conduct ourselves, as we strive to live and achieve our mission:

To be the leading Brand of Choice for our Customers, Employees and Capital

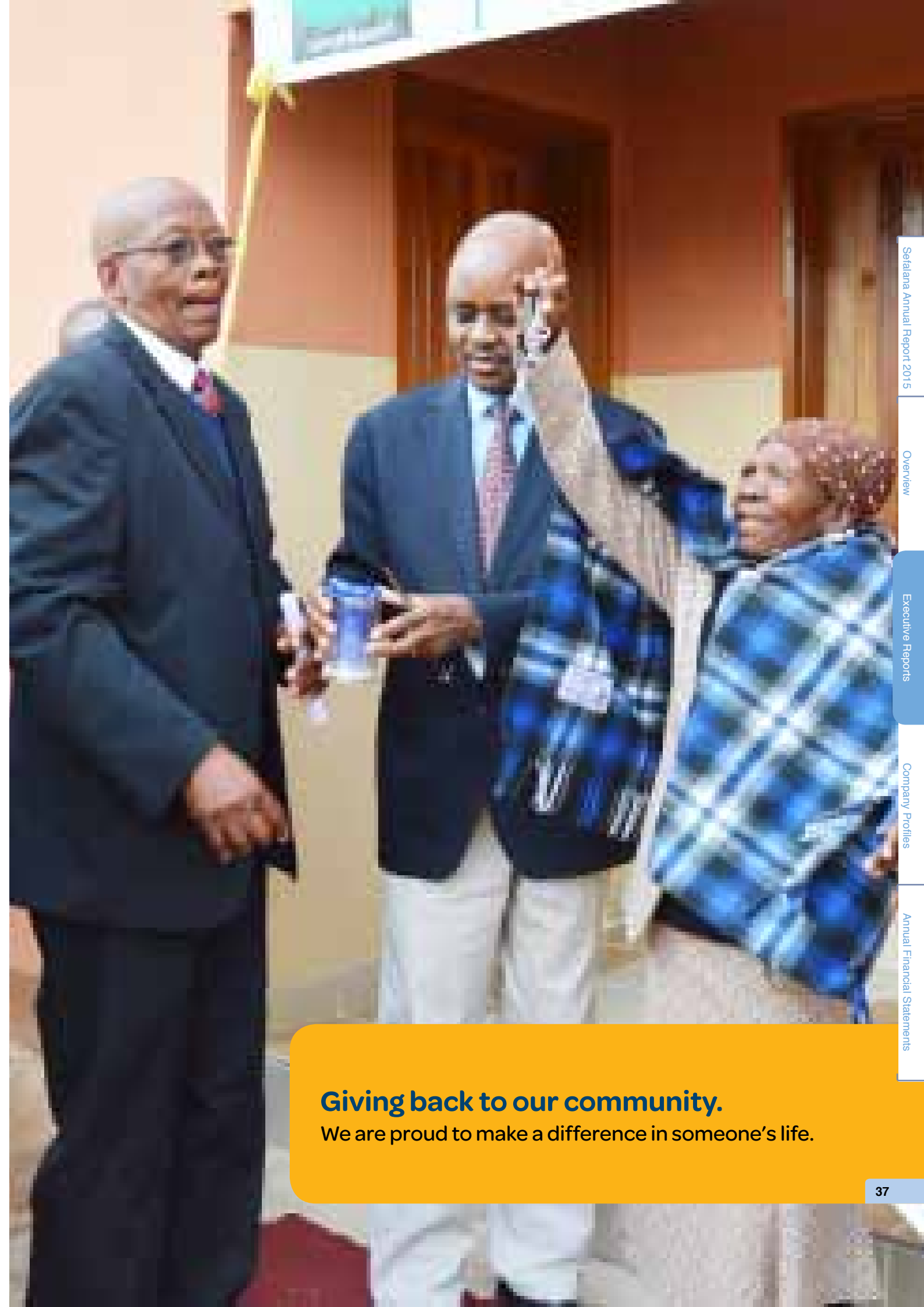
Our values are of high standards and epitomise the excellence and diligence of our staff and management.

Values	Meaning
Botho	Being respectful, having humility towards others and conducting one's self in a dignified manner
Commitment	Devotion, adherence as well as loyalty to the organisation and its mandate. It is a reciprocal exchange between Sefalana and its stakeholders  The willingness to give one's time and energy consistently
Accountability	Accepting responsibility for our own and our team's actions and decisions towards our stakeholders
Excellence	Exceeding expectations
Transparency	Allowing interactive communication and open access to information
Integrity	Doing what is right at all times
Responsibility	Securing and sustaining the future of Sefalana and the countries in which we operate; by actively taking part in acts of social responsibility and environmental considerations
Innovation	Actively seeking and sharing solutions and creative ideas towards growing Sefalana

Sefalana is committed to the principles of responsible business. This requires addressing key business related social, ethical and environmental matters in a way that aims to bring value to all of our stakeholders, including our valued customers and shareholders. We take full responsibility for our actions and carefully consider the impact of our choices on others and ensure our ethics and values are integrated into our business policies, practices and plans.

A desire for continuous improvement in our operations lies at the heart of our approach to business and is achieved through working in an ethical manner, fostering positive relationships with our suppliers, recruiting and retaining successful and responsible employees and being accountable for the impact of our actions on our community and environment.

Our Values Charter set us apart from others in the Industry. These uniquely define our actions and promote our brand and the way we do business, governing the way we relate to our customers and other stakeholders. Our values underpin our vision to be the leading brand of choice for customers, employees and capital as articulated in our Group Strategy document.



**Giving back to our community.**  
We are proud to make a difference in someone's life.

During the year, we have made good progress in achieving our values through sustaining our Corporate Social Responsibility (“CSR”) initiatives, and striving to give back to our community and environment wherever possible.



Providing a helping hand to the Cheshire Foundation

Our focus on CSR

The following substantial areas enhance our corporate responsibility and citizenship:

Pursuing our growth targets

Key Consideration	Achieved through...
Safety at our stores and sites	regular store visits and adherence to stringent health and safety regulations. All our stores have internal security measures in place which are monitored on an on - going basis and will be further enhanced during the forthcoming year in line with our recent re - branding exercise.
Expanding our store footprint for the Community	2 new stores were opened locally during the year, along with Sefalana’s very first ‘Quick’ store and Shopper store in Hukuntsi shortly after the year end. We are proud of our presence in all major parts of the country. At a regional level, the Group expanded into Namibia during the year by acquiring thirteen stores across the country.
Seizing new business opportunities to maximise Shareholder value	focusing on our core businesses and continuously looking for new opportunities. The recent acquisition of a fruit juice and UHT milk plant is expected to yield growth and enhanced profitability for the Group.

Enhancing our Organisational Culture

Key Consideration	Achieved through...
Ability to attract, retain and develop the right people	our ability to identify talent and provide the ideal working environment for our people. Growth opportunities are provided to staff through on – the - job training with progressive internal management development programs and accredited external training initiatives. A significant number of new jobs have been created in the year through store openings and expansion.
Transforming the Sefalana Culture	a continuous process of self - discovery and change management. Our strategy undertakes to identify and understand cultural barriers and develop techniques to overcome these barriers thereby enhancing its effectiveness. This can be witnessed through the Group’s recent rebranding initiative, creating one brand and one voice for all the Sefalana subsidiaries.
Succession Planning	succession planning forms part of our Board Charter – We believe it is crucial to have the right people, in the right place at the right time to allow sustainability in leadership and the timely transfer of knowledge. Board oversight ensures sufficient focus is placed on this area such that a forward looking plan is in place to enable effective hand over of key positions.

Developing our retail skills

Key Consideration	Achieved through...
Marketing the Sefalana brand	constant advertising of our products and maintaining positive relationships with our suppliers and customers. The restoration of a single brand across our Group has assisted in building our market presence. This will be a significant focus area for us during the ensuing year as this is fully rolled out.
Advancement of strategic retail skills	making sure our branch managers and retail staff receive regular training and are up to date with the latest trends in the retail industry. Use of Industry experts is made wherever possible to maximize effectiveness and to introduce modern and innovative thinking.

Supporting and encouraging Batswana youth is a focus area for Sefalana and an area where we look to place greater emphasis going forward



The winning team at the Sefalana 5 aside football tournament



# Our Group Strategy focuses on five underlying themes which display our commitment to CSR and are defined through the way in which we operate.



## 1 Responsible trade and investment

Every company within Sefalana participates in its own way towards the overall CSR activities of the Group. Sefalana Cash and Carry, our wholesale and retail business in Botswana and Namibia, is the largest contributor to Group revenue and profit. The scale of this business enables us to leverage our purchasing power as well as maximise process and cost efficiencies. This was further enhanced during the year as we grew this side of the business and expanded into Namibia increasing our store compliment by an additional 13 stores.

### Being responsible in how we engage with our customers

By operating responsibly, we not only benefit and secure the future of our business but extend the rewards to benefit the communities in which we operate. This is achieved through our commitment to providing customers with good quality, safe and affordable products in an enjoyable shopping environment. A strong, fair, mutually beneficial and long - term partnership with suppliers forms the heart of our enterprise.

### Being responsible in what we offer our customers

Sefalana acts as an agent for its customers, driving value through improving quality and expanding key brands at an everyday low price. We know that our customers expect a consistent high quality of fresh foods and general merchandise which is a key driver for all our stores.

Our duty as a good corporate citizen does not end at the point of delivery to our customers. We uphold a moral obligation to ensure the goods and produce we supply are of supreme quality as failure to do so would result in a direct negative impact on our service quality and ultimately our reputation. We have now set up a Maize plant in Serowe, with greater emphasis being placed in the FMCG sector and supporting businesses.

## 2. Ethical supply chain management and compliance

### Regulating and monitoring the supply chain

Sefalana is strongly committed to providing quality and reliable products through working with our suppliers to ensure our supply chain is both resilient and efficient. This has led to the formation of a best practice code that is carefully scrutinised for compliance. Constant communication is maintained with our manufacturers and suppliers to ensure superior levels of product quality and safety.

We pledge that every product that leaves our shelves, stores and silos is backed by a quality team working tirelessly to ensure that the consumer gets the best possible product, being quality compliant, selectively sourced and priced competitively.

Our products and services are our pride, and foster trust in our brand, because we test them to the highest possible standards. Products that are manufactured by our Group, are lab tested, quality inspected and preferentially selected to meet all Botswana Bureau of Standards requirements. Services levels are renewed by continued training and evaluation.

During the year we acquired a fruit juice and UHT milk plant along with the commissioning of a maize plant. This allows Sefalana to bring in – house, parts of the supply chain, enabling the Group to internally enforce efficient supply chain initiatives.

### Upholding our reputation

In our efforts to be a good corporate citizen, we remain steadfast in ensuring compliance with all applicable laws and regulations. Our trade is fair and transparent, giving the business community a long term partner that can be trusted and held in good faith. We are proud of the reputation we have built up and consider this to be vitally important for on – going success.



Providing a helping hand to the Cheshire Foundation



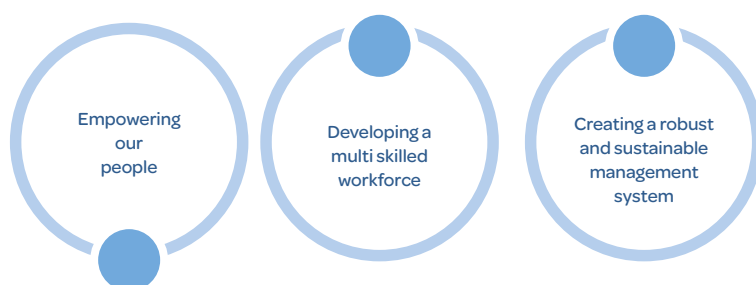
### 3. Human capital development

#### People – Our most important asset

Customer service is essential and therefore we aim to ensure that the right people join the Group and remain a key part of the Sefalana family, where comprehensive training and skills development is provided throughout their career with us. Training programs for growth and development are expanded on an ongoing basis. Our people are treated with respect and a zero tolerance policy to discrimination is maintained. A performance management system is used as a means of rewarding our exceptional performers who show potential for growth. Retention of knowledge and skills in Botswana's highly competitive market remains a vital focus point for our Group.

We aim to build a workplace that displays a true demographic profile of the nation. Our employment practices are a crucial part of our ability to draw in and retain talent. Sefalana strives to be an employer of choice and endeavors to keep its employees motivated and enthusiastic in everything they do.

Our human resources strategies are focused on:



Sefalana staff - Gaborone City Marathon 2015

Equal opportunities are central to the Group and an open - door policy, fair employment practice and legal compliance gives us confidence in our management of relationships with our employees. Clear, coordinated management of employee rights and responsibilities helps ensure that the Group's risk is mitigated and that continuity is maintained.

Staff is informed of upcoming events throughout the year through our monthly Moremogolo newsletters. Our people are the first to know of any changes in our business that may affect them, this in turn allows them to do the right thing and deliver an outstanding service to customers.

#### Health and Safety – Promoting wellness at work

Sefalana commits to a high level of health and safety practices through providing our employees with a safe, stable and healthy environment in which to work. Health and safety form a crucial part of the food industry and are therefore monitored, managed and assessed on an on - going basis through the Group's risk management framework. Providing a prudent and hygienic place to work improves the morale and performance of our staff, a crucial component in our excellent service delivery.

Promoting wellness is important to the health of our employees and ultimately for the health and sustainability of our Group. By facilitating learning and sharing opportunities, Group employees are advantaged to work in a compassionate and caring environment. We believe happy people work better and more effectively.

Health and Safety, Basic Food Hygiene and First Aid training courses are conducted on an annual basis. The main elements covered in this training include emergency planning, security, fire, transportation and general health and safety.

In an effort to promote health and fitness, the Group partook in the Annual Diacore Gaborone City Marathon. A total of 140 staff members woke up bright and early in order to get to the start line for the 10km race. The Group looks forward to participating in similar events going forward.

The move to the New Head Office in September 2015 along with the refurbishment of almost all our stores in the next 12 months will provide our staff with an improved working environment. This is expected to enhance the working experience and ultimately motivation and productivity.

#### Skills development – enhancing our tool bag

Within the Group we ensure there is extensive in - house, as well as external training for our teams. Training schemes focus on technical, organisational and management capabilities. Equipping our employees with the latest in skills and knowledge helps maximising value from them and provide our increasingly sophisticated customers with that they want.

Management Development programs are offered to our staff with the objective of exposing apprentices to all aspects of the retail and wholesale business. During the training period, the novice gains experience in the operation of all divisions of a store and is given the opportunity to demonstrate their managerial and supervisory competencies. During the year 40 individuals were put through these programs.

#### Leadership development – tomorrow's people

Every year, Sefalana identifies individuals within the Group who possess passion, drive, hunger and ability. These individuals are encouraged to excel and are supported through on - the - job training and mentoring along with suitable externally led training initiatives. This has helped us develop a strong leadership team across the Group with a succession plan in development to help sustain the longevity of the Group.

### 4. Conservation and eco - friendliness

Day on day, masses of paper and cardboard boxes are used and discarded in our operations, particularly in our retail and cash and carry businesses and manufacturing entities. We believe in giving back to our environment and as such, the majority of paper waste is recycled, allowing it to be recycled into toilet tissue and related products. Our manufacturing business, Foods Botswana and associate company, Kgalagadi Soap Industries uphold high standards of waste management and control in line with regulatory requirements.

### 5. Giving back into our Community

Promoting wellness and making a positive difference to our community is an important part of our initiative to foster our broader stakeholders. Community investment is achieved through donations, support and being a part of local events. Some of the projects that we were involved in during the year include:

#### Improving the lives of Batswana

1. Participation in donation of a house - During the year, Sefalana proudly participated in donating a house to an underprivileged family by joining hands with Botswana Railways. This changed the life of an elderly lady in Mahalapye who had nowhere to live.
2. Participation in donation of a house - Sefalana embarked on the development of a two and a half roomed housed in the Hukuntsi area for an elderly lady living with her granddaughter. The family was identified by the department of Social and Community Development (S&CD) in Hukuntsi as one in need.
3. Sponsoring year's food requirement for an Orphanage - On a monthly basis, Sefalana supplies the Hajji Gulam Mustapha children's home with their food requirements. The Children's home was set up a number of years ago and is situated in Bontleng in Gaborone. The Home acts as an orphanage for less



privileged children, offering them education, friendships, adventure and the possibility of a more fulfilling and brighter future.

4. The SOS Children's Village in Tlokwen & Serowe both received P10 000 towards Christmas clothing for underprivileged children in Serowe and food hampers for families in the Tlokwen compound.

Developing Youth

1. 2014 African Youth Games - This year, Sefalana had the opportunity to support the second African Youth Games held in Gaborone for the very first time. As a Group, we are a strong supporter of youth development and empowerment and are thrilled to have contributed to the event.
2. University of Botswana - In the previous year, Sefalana was proud to sponsor laptops to the University's Disability Support Services IT laboratory. In the current year, we continued to support this function through the sponsoring of laptop bags and related equipment to the laboratory. We have also undertaken to make a total contribution of P200 000 towards this cause in the coming year in support of the building of a new laboratory for blind students.

3. Sefalana is currently working on a graduate scheme in which the Group will offer young, motivated students the opportunity to further their education through the possible sponsor of a Master's Degree program as well as the opportunity to work for the Group.

4. During our 2013 financial year, Sefalana part - sponsored a young and aspiring Motswana woman to obtain a Master's Degree in England with the London Metropolitan University. She has successfully graduated from the program in the current financial year and has since joined the Group Finance function. This is an initiative that we would like to continue with to support additional young and talented Batswana who have the drive and passion to learn and excel. By providing them with the opportunity to work with the Group on completion of their studies, we will help them achieve a prosperous career and future.



The House donated to Mrs. Kedueleng Kgagane in Hukuntsi in July 2015.

Supporting local education

1. Itumeleng Primary School received a donation of P20 000 in the form of refurbishment for a block of classrooms. In addition, underprivileged students were identified and were bought full - kit school uniforms. The school garden was also re - vamped and vegetable plots prepared and handed over to the school for the provision of fresh vegetables.
2. Newton and Swaneng Primary Schools in Serowe also received donations for prize giving's. Swaneng Primary received branded sports t - shirts for students taking part in regional sports competitions.

Promoting health and wellbeing

1. Group contributions were made to various sporting initiatives including the BDF Golf Day, Gaborone Masonic Trust Golf Day and the annual Sefalana Golf Day.
2. Tsabothle, a football club formed and supported by Foods Botswana which plays for first division clubs in Botswana. We are proud to be involved in these events that enable us to promote our loyalty and commitment to our community.
3. Supporting Sekgoma Memorial Hospital - This hospital is located in Serowe and is one of the largest public hospitals in the country. The hospital serves a budding community and is well known for its excellent care and service delivery. Foods Botswana partook in the donation of hospital beds during the year.
4. Tshwaragano Adventure Trust - This trust was founded in 2012 and is organised and operated for the purposes of raising funds for various charitable causes through activities that demand rigorous fitness and encourage good health through exercising. During the year, Sefalana supported the trust in sending a group of backpackers to trek Mount Kilimanjaro.
5. Supporting the Diabetes Association of Botswana - The Diabetes Association of Botswana hosts an annual Youth Camp of which Sefalana is a proud sponsor. We support this camp as it brings

together youth with a diabetic condition from different parts of the country to share knowledge and experiences and to interact with one another. These individuals receive education on all aspects of their condition and care. Meeting others, sharing their feelings, fears and anxieties and gaining encouragement and support from one another inspires and encourages them to persevere in their self - care and recovery.

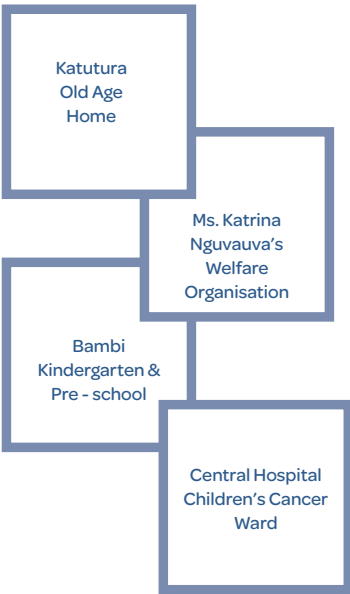
6. Other initiatives

1. Supporting NAFTEC (National Food Technology Research Centre) - This centre was first established as a small project in 1984 and provides various food analysis and food safety consultative advice. The entity has a vision to become an international centre of excellence in food science and technology. Sefalana, through Foods Botswana, supported NAFTEC with funds to hold a conference on infant and young people feeding in Botswana.
2. Supporting the Botswana Society for the Prevention of Cruelty to Animals (BSPCA) which was established in 1987 and raises awareness on the abuse of animals in Botswana and aids in the teaching of good foster practices amongst pet owners. Sefalana shows support through the donation of goods from our Hyper Store.
3. Supporting the Botswana Society - This is a scientific, historical and cultural society of Botswana and is located in Gaborone. It is the country's oldest, indigenous and active non - governmental, non - profit organization. The Society is dedicated to promoting knowledge of Botswana and has a worldwide membership. The Society publishes books, an annual journal (Botswana Notes and Records), conference proceedings and quarterly newsletters. Sefalana supports the Society through an annual donation.

7. Support in Namibia

Supporting My African Dream - a contribution of P100 000 sponsorship was made towards this initiative which is aimed at a talent search amongst the youth in the performing arts criteria across Namibia.

The Namibian business is a new one within the Group but has partnered with a number of suppliers to provide food hampers worth over N\$ 30 000 to the following four main beneficiaries:



Children at HGM children's home.





Statement of Commitment

The Board is committed to integrated thinking and reporting, and as such adopts the concepts, principles and elements of Integrated Reporting in this Annual Report. It believes that this Annual Report considers all material issues which reflect the performance of the Sefalana Group.

The Board promotes principles of good governance and in large adopts the King Code of Corporate Governance (King III) consistently applying substantially all the provisions of this code throughout the financial year. Each year, it tries to improve the quality of its reporting. The Company has substantially applied the Botswana draft Corporate Governance Code as entrenched in the draft revised Botswana Stock Exchange (“BSE”) listing rules, and awaits its formal approval and adoption by the relevant authorities in Botswana.

Company Secretary certification

The Company Secretary certifies to the best of her knowledge and belief, that Sefalana Holding Company Limited has lodged with the Registrar of Companies all such notices and returns required, and that all such returns and notices are true, correct and up to date. She also certifies that the Company has complied with every disclosure requirement for continued listing on the BSE as imposed by the BSE and has submitted an Annual Compliance Certificate to that effect.

Board Charter

The Board has adopted a Board Charter to clarify roles of the Board and to enhance its decision making processes. The purpose of the Board Charter is to clearly outline the structure of the Board and to define its role, focusing on strategic leadership, performance management, investor relations, risk management and governance. The Board Charter also outlines fiduciary duties of Directors according to Section 130 of the Companies Act and as recommended by King III. The

Our internal Audit function has been enhanced during the year through greater structure, new initiatives and through the recruitment of additional resources

Board reviews the Charter annually to ensure that it is in line with recent changes in the law and standards of governance practice.

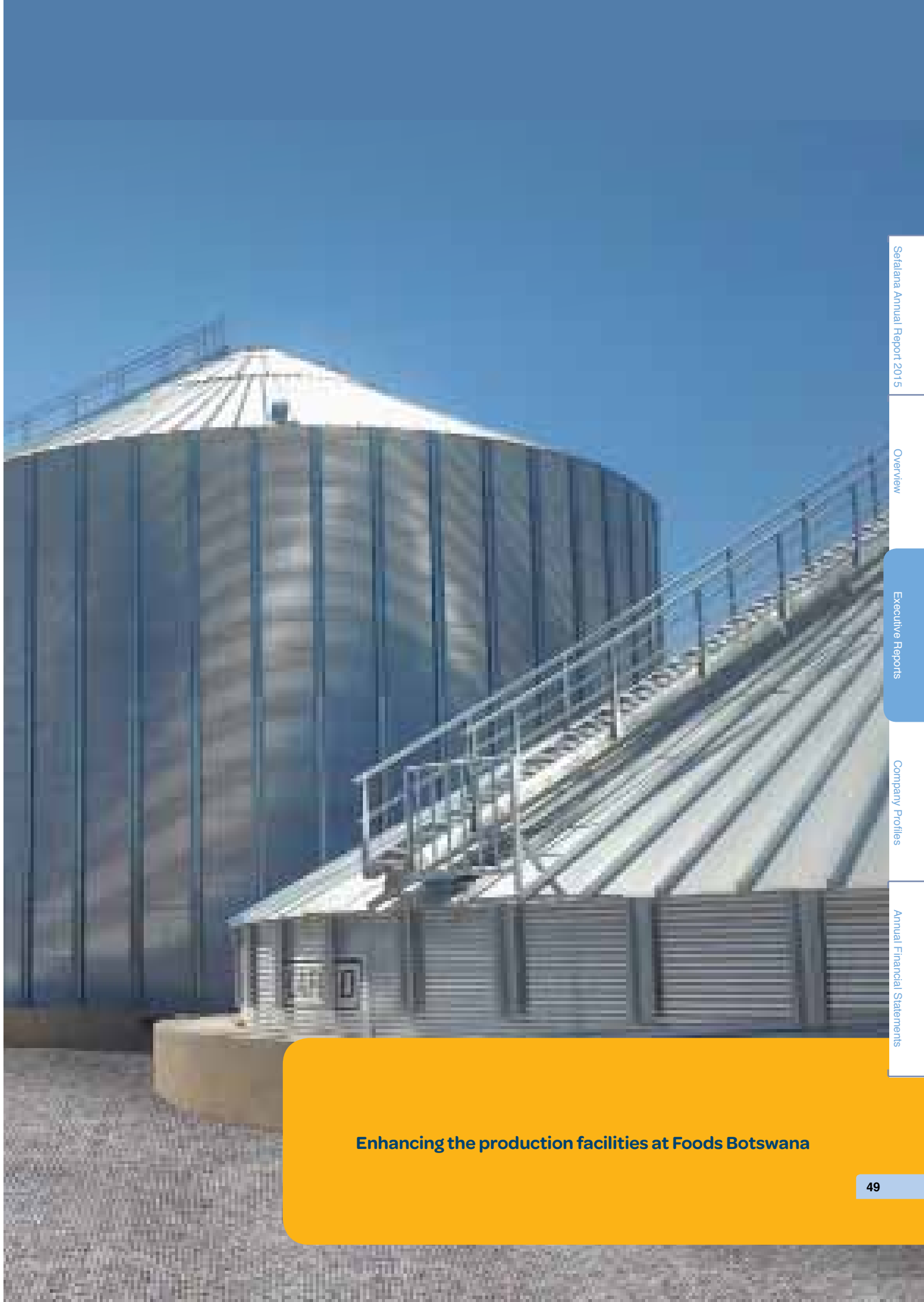
Conflict of interest

The Directors declare their direct and indirect interest at the beginning of every Board meeting. Each Director is expected to abstain from voting on resolutions in relation to which such interest exists and from participating in the discussions concerning such resolutions unless resolved otherwise by the remainder of the Board members. The Company Secretary maintains an interest register and updates it regularly.

Role of the Board

Considerable planning goes into setting the agendas for the Board and sub - committee meetings. This is to ensure that duties as set out in the Charters are carried out effectively, and that the Board and its committees are focused on relevant activities. The Board meets once every quarter and holds additional meetings as may be required from time to time.

The Board’s ultimate responsibility is for the supervision of the Group’s activities. It has the following principal duties:



Enhancing the production facilities at Foods Botswana

### Closed periods

Directors and certain executive staff members are not permitted to transact in the company's shares in any way during closed periods. There are other occasions where the Directors impose a closed period on themselves; when there is price sensitive information that the Board is aware of that is not publically available.

Director's direct and indirect interest in the issued shares of the Company as at the year - end is as disclosed in the table below:

Director	Number of shares controlled as at the year - end date
Dr Ponatshego Kedikilwe	Nil (2014: Nil)
Mr Chandra Chauhan	11 287 322 (2014: 9 336 901)
Mr Elias Dewah	Nil (2014: Nil)
Mr Hans Kampmann	Nil (2014: Nil)
Mrs Jennifer Marinelli	117 274 (2014: 26 379)
Mr Keith Jefferis	20 225 (2014: 20 225)
Mr Mohamed Osman	67 000 (2014: 17 812)
Mr Reginald Motswaiso	200 000 (2014: 100 000)

### Board appointments and resignations

Following the passing of Mr Julian Mukwesu Nganunu on 3 August 2014, Dr Ponatshego Kedikilwe was appointed as Chairperson of the Board on 1 December 2014.

This appointment was communicated to our Shareholders through announcements on the BSE website and several local newspapers.

No other changes took place in the composition of the Board during the reporting period.

### Board diversity and balance

Sefalana Holding Company Limited enhances the decision making of its Board by ensuring that the Board of Directors comprises a balance of power. The majority of the Board members are non - executive Directors, and the majority of the non - executive Directors are independent. This ensures that no one individual or block of individuals dominate the Board's decision - making and promotes objectivity. Non - executive Directors bring objective judgement and experience to the deliberations of the Board.

Name of Director	Independent Non - Executive Director	Executive Director
Mr Elias Dewah	✓	
Mrs Jennifer Marinelli	✓	
Mr Keith Jefferis	✓	
Dr Ponatshego Kedikilwe (Chairman)	✓	
Mr. Reginald Motswaiso	✓	
Mr Chandra Chauhan (Group Managing Director)*		✓
Mr Hans Kampmann (Managing Director - Sefalana Cash and Carry Limited)		✓
Mr Mohamed Osman (Group Finance Director)*		✓

\* The Board has adopted in its Charter that at least two of the Executive Directors should be the Group Managing Director and the Group Finance Director.

### Skills diversity

The Board of Sefalana Holding Company Limited comprises astute individuals of different backgrounds, experience and qualifications. Having a Board with diverse perspectives is critical to its decision making as it brings objective judgement and experience to the deliberations carried out. The background and qualifications of the Directors are disclosed under the Director's profile section.

### Board Committees

The Board delegates certain functions to well - structured committees but without relinquishing its own responsibilities. The committees constitute an integral part of the governance process and are established with clearly defined formal terms of reference. In order to keep up to date with any recent changes in the law and governance principles, the terms of reference are reviewed and approved annually.

Sefalana Holding Company Limited comprises of the following three sub - committees;

#### 1. Nominations Committee

The Nominations Committee is tasked with providing a formal and transparent procedure for the appointment of new Directors to the Board through a formal process of reviewing the balance and effectiveness of the Board, identifying the requisite skills and identifying the individuals who would best provide them.

The Nominations Committee comprises of the following three independent Non - Executive Directors:

- Dr Ponatshego Kedikilwe (Chairman)
- Mr Reginald Motswaiso
- Dr Keith Jefferis

#### 2. Remuneration Committee

The role of the Remuneration Committee is to ensure that the Group adopts and implements appropriate policies and procedures that provide the framework for remunerating its employees on a competitive and equitable basis and to set the Group's grading and remuneration levels each year.

The Remuneration Committee reports to the Board on its activities after every meeting held. The Group has established a formal and transparent procedure for developing policies on Executive remuneration and for setting the remuneration packages of individual Directors. No Executive Director is involved in deciding his own remuneration.

The Remuneration Committee comprises of the following three Non - Executive Directors:

- Dr Keith Jefferis (Chairman)
- Mr Elias Dewah
- Mrs Jennifer Marinelli

#### 3. Audit and Risk Committee

The Board ensures that the Company has an effective and independent Audit and Risk Committee tasked with the following distinct responsibilities:

- To direct internal assurance planning and programme execution, to deliver risk identification, monitoring and mitigation;
- To oversee that management has established effective systems of internal controls;
- To report to the Board on decisions taken, including approval of the annual financial statements;
- To discuss audit procedures, including the proposed scope and the results and findings of procedures performed by the external auditors;

- To ensure that the external auditors findings are adequately addressed; and
- To oversee the quality of the external audit.

The Audit and Risk Committee comprises of the following three Non - Executive Directors:

- Mr Reginald Motswaiso (Chairman)
- Mr Elias Dewah
- Mrs Jennifer Marinelli

### Relations with Shareholders

The Board uses the Annual General Meeting and Special General Meetings to communicate with Shareholders and potential investors and encourage their participation. Frequent announcements through the press and mailing of information for the attention of Shareholders are practiced wherever required. The Company circulates with every Notice of General Meetings a summary of the procedures governing voting at General Meetings.

The Chairmen of the Audit and Risk, Remuneration and Nominations Committees are present and available to answer questions at the Annual General Meeting and Special General Meetings, if so requested by the Chairman of the Board.

The Board also discloses to Shareholders through trading announcements, all proposed corporate transactions, which if entered into, would materially alter or vary the Group's net asset base or share price.

In this way, the Board ensures all relevant information is effectively communicated to the Company's Shareholders and on a timely basis.

#### Attendance at Board and sub - committee meetings of Sefalana Holding Company Limited during the financial year ended 30 April 2015:

Member	Main Board		Nominations Committee		Remuneration Committee		Audit and Risk Committee	
	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible	Attended	Maximum Possible	Attended
Dr Ponatshego Kedikilwe **	2	2	1	1	1	1		
Mr Chandra Chauhan	4	4	2*	2*			3*	3*
Mr Elias Dewah	4	4	2*	2*	3	3	3	3
Mr Hans Kampmann	4	4						
Mrs Jenny Marinelli	4	4			3	3	3	3
Mr Keith Jefferis	4	4	2	2	3	3		
Mr Mohamed Osman	4	4	2*	2*			3*	3*
Mr Reginald Motswaiso	4	4	1	1			3	3

\* Attendance by invitation

\*\* Appointed on 1 December 2014



Compliance with KING III

King III was developed as a consequence of changing trends in international corporate governance and has been considered as leading guidance on best practice. As with King I and King II, the King Committee endeavoured to be at the forefront of governance internationally. Although King III is not mandatory for Botswana companies, Sefalana has assessed its governance structure against the principles of this code and is proud to be compliant in substantially all areas.

A summary of this evaluation is presented below. Continued efforts and emphasis will be placed on moving towards full compliance in the next and subsequent reporting periods.

King III Chapter ref	King III Principle	2014	2015	Commentary
Chapter 1- Ethical Leadership and Corporate Citizenship				
1.1	The Board should provide effective leadership based on an ethical foundation.	Applied	Applied	The Board is governed by a Board Charter incorporating effective and responsible leadership.
1.2	The Board should ensure that the company is and is seen to be a responsible corporate citizen.	Applied	Applied	The Board is committed to ensuring that the Company is a good corporate citizen as envisaged in its Group Strategy of 2013 - 2016. One of the values entrenched in the strategy is "...to be a model corporate citizen Group that is passionate and committed to uplifting our communities and safeguarding the environment".
1.3	The Board should ensure that the company's ethics are managed effectively.	Applied	Applied	The Group's ethics are managed through the Audit and Risk Committee. The Group Code of conduct was developed in 2014.
Chapter 2 - Boards and Directors				
2.1	The Board should act as the focal point for and custodian of corporate governance.	Applied	Applied	The Company is headed by a Board that directs, governs and is in effective control of the Company as embedded in the Board Charter. For effective control the Board delegates some of its duties to its Board sub - committees which are also governed by committee charters. The Board meets at least four times a year.
2.2	The Board should appreciate that strategy, risk, performance and sustainability are inseparable.	Applied	Applied	The Board monitors the implementation of strategy through the Group Strategy Coordinator who reports to the Board at quarterly meetings. The Group Internal Auditor also reports to the Audit and Risk Committee at all its meetings.



King III Chapter ref	King III Principle	2014	2015	Commentary
2.3	The Board should provide effective leadership based on an ethical foundation.	Applied	Applied	The Board is governed by a Board Charter incorporating effective and responsible leadership.  The Group's ethics are managed through the Audit and Risk Committee.  The Group Code of conduct was developed in 2014
2.4	The Board should ensure that the Company is and is seen to be a responsible corporate citizen.	Applied	Applied	The Board is committed to ensuring that the Company is a good corporate citizen as envisaged in its Group Strategy of 2013 - 2016. One of the values entrenched in the strategy is "...to be a model corporate citizen Group that is passionate and committed to uplifting our communities and safeguarding the environment".
2.5	The Board should ensure that the Company's ethics are managed effectively.	Applied	Applied	The Group's ethics are managed through the Audit and Risk Committee. The Group Code of conduct was developed in 2014.
2.6	The Board should ensure that the Company has an effective and independent Audit and Risk Committee.	Applied	Applied	The Audit and Risk Committee has been established in terms of the Board Charter and the Committee is governed by a Committee Charter which is reviewed annually. All three members of the Committee are suitably skilled and experienced independent Non - Executive Directors.
2.7	The Board should be responsible for the governance of risk.	Applied	Applied	The Board governs risk through its Audit & Risk Committee which reports directly to the Board at each meeting of the Board.
2.8	The Board should be responsible for Information Technology (IT) governance.	Partially Applied	Applied	The Board has endorsed the Group IT Policies and procedures and a revised Group IT strategy has been adopted. The Group IT manager reports to the Audit and Risk Committee at all its meetings.
2.9	The Board should ensure that the Company complies with applicable laws and considers adherence on nonbinding rules, codes and standards.	Applied	Applied	The Company complies with applicable laws and non - binding rules. The Company Secretary certifies that such rules are adhered to. The Company also seeks professional legal advice from time to time as and when required.
2.10	The Board should ensure there is an effective risk - based Internal Audit	Applied	Applied	The Audit & Risk Committee plays a key role in ensuring that the Company's Internal Audit function has the necessary resources, budget, standing and authority within the Company to enable it to discharge its functions. The Group Internal Auditor reports directly to the Audit & Risk Committee.

The Audit and Risk Committee has been established in terms of the Board Charter and the Committee is governed by a Committee Charter which is reviewed annually. All three members of the Committee are suitably skilled and experienced independent Non - Executive Directors.

King III Chapter ref	King III Principle	2014	2015	Commentary
2.11	The Board should appreciate that stakeholder's perceptions affect the Company's reputation.	Applied	Applied	The Board, through the Sefalana Group Strategy monitors legitimate stakeholder interests and expectations, relevant to the Company's strategic objectives and long - term sustainability. The Group Strategy Coordinator reports directly to the Board.
2.12	The Board should ensure the integrity of the Company's Integrated Report.	Partially Applied	Partially Applied	Through the Audit and Risk Committee, the Board has placed controls to enable it to verify and safeguard the integrity of its integrated report. The Audit and Risk Committee reviews and considers the financial statements prior to publishing.
2.13	The Board should report on the effectiveness of the Company's system of internal controls.	Applied	Applied	The Board is accountable for risk management and the system of internal control and issues annual disclosures that an adequate system of internal control is in place to mitigate the significant risks faced by the organisation.
2.14	The Board and its Directors should act in the best interest of the company.	Applied	Applied	The Directors make decisions giving due regard to their fiduciary duties and as such act with an independence of mind. The Directors also declare their direct and indirect interests at each Board meeting and the Company Secretary maintains a register of Director's interests.

King III Chapter ref	King III Principle	2014	2015	Commentary
2.15	The Board should consider business rescue proceedings or other turn around mechanisms as soon as the Company is financially distressed as defined in the Act.	Applied	Applied	A review of cash resources and cash forecast is done on a continuous basis, the Board assesses this annually to satisfy itself that the Group operates as a going concern. No instances of concern were noted during the year.
2.16	The Board should elect a Chairman of the Board who is an independent Non - Executive Director.  The CEO of the company should not also fulfil the role of Chairman of the Board.	Partially Applied	Applied	The Board elected an independent Chairman with effect from 1 December 2014.  The role of CEO and Chairman are performed by separate individuals.
2.17	The Board should appoint the Chief Executive Officer and establish a framework for the delegation of authority.	Applied	Applied	The CEO is given certain decision making power. Decisions over this threshold are considered by the Board. This ensures effective and timely decision - making.
2.18	The Board should comprise a balance of power, with a majority of Non - Executive Directors. The majority of Non - Executive Directors should be independent.	Applied	Applied	The Board ensures that there is an appropriate balance of power and authority in its composition. The majority of Non - Executive Directors are independent. The Nominations Committee meets from time to time to consider the diversity and appropriateness of the Board.
2.19	Directors should be appointed through a formal process.	Applied	Applied	Procedures of appointment to the Board are formal and transparent and are a matter of the whole Board on recommendation of the Nominations Committee, subject to Shareholder approval.
2.20	The induction of and ongoing training and development of Directors should be conducted through formal processes.	Partially Applied	Partially Applied	New Directors receive an induction pack which includes background information, understanding of fiduciary duties and key Board matters.
2.21	The Board should be assisted by a competent, suitably qualified and experienced Company Secretary.	Applied	Applied	The appointment of the Company Secretary is a matter of the Board. The Board has appointed a Chartered Company Secretary in terms of section 162 of the Companies Act.
2.22	The evaluation of the Board, its committees and the individual Directors should be performed every year.	Applied	Applied	Board evaluations are done annually, alternating between external evaluation by independent consultants and internally by the Chairman of the Board.
2.23	The Board should delegate certain functions to well - structured committees but without abdicating its own responsibilities.	Applied	Applied	The Board has well developed committees which have been established with clear reporting procedures. The Committee Charters are reviewed annually.
2.24	A governance framework should be agreed between the Group and its subsidiary Boards.	Applied	Applied	The Group and its subsidiaries have well established governance procedures and respective charters.



The CEO is given certain decision making power. Decisions over this threshold are considered by the Board. This ensures effective and timely decision - making.

King III Chapter ref	King III Principle	2014	2015	Commentary
2.25	Companies should remunerate Directors and executives fairly and responsibly.	Applied	Applied	The Company has adopted remuneration practices which create value for the Company and are aligned with the Company's strategy. The Remuneration Committee assists the Board in its responsibility for setting and administering remuneration.
2.26	Companies should disclose the remuneration of each individual Director and certain senior executives.	Not Applied	Not Applied	If this requirement becomes mandatory, appropriate disclosures will be made.
2.27	Shareholders should approve the Company's remuneration policy.	Partially Applied	Partially Applied	Directors' fees in aggregate are disclosed in the annual report and tabled for Shareholders' approval at Annual General Meetings.
Chapter 3 - Audit and Risk Committee				
3.1	The Board should ensure that the Company has an effective and independent Audit and Risk Committee.	Applied	Applied	The Board has an Independent and effective Audit & Risk Committee in place. All members of the Committee are suitably qualified and experienced independent Non - Executive Directors.



King III Chapter ref	King III Principle	2014	2015	Commentary
3.2	Audit and Risk Committee members should be suitably skilled and experienced independent Non - Executive Directors.	Applied	Applied	All members of the Audit and Risk Committee are suitably qualified and experienced independent Non - Executive Directors. The composition of the Committees is evaluated periodically by the Nominations Committee.
3.3	The Audit and Risk Committee should be chaired by an independent Non - Executive Director.	Applied	Applied	The Chairman of the Audit and Risk Committee is an independent Non - Executive Director.
3.4	The Audit and Risk Committee should oversee integrated reporting.	Not Applied	Partially Applied	<p>Through the Audit and Risk Committee, the Board has placed controls to enable it to verify and safeguard the integrity of its report.</p> <p>The Audit and Risk Committee evaluates significant judgments on reporting decisions such as changes in accounting policies. The Committee seeks clarity from Management of significant transactions and also considers the views of the external auditors.</p> <p>The Audit and Risk Committee's review of financial reports encompasses the Annual Financial Statements, interim results, any intended release of price - sensitive information and prospectuses, trading statements &amp; circulars.</p>

### The Chairman of the Audit and Risk Committee is an independent Non - Executive Director.



King III Chapter ref	King III Principle	2014	2015	Commentary
3.5	The Audit and Risk Committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities.	Partially Applied	Applied	<p>The Audit and Risk Committee ensures comprehensive implementation of and adherence to internal controls. Internal Audit provides a written assessment on the effectiveness of internal controls to the Audit and Risk Committee each year. The overall control environment of the Group has improved during the year.</p> <p>There is a sound collaboration between assurance providers. The Internal Audit team has been enhanced during year and ensures greater reliance is placed on Internal Audit work by External Audit.</p> <p>A culture of zero tolerance to fraud and corruption is taken in all activities of the Group. A comprehensive anti - fraud program incorporating all elements of prevention, detection, investigation and resolution is coordinated through Internal Audit. Instances of fraud are reported through the Anonymous tip - off line and these are investigated and the outcome reported to the Audit and Risk Committee.</p> <p>The Board met to identify the key risks that the Group faces in achieving its objectives. Related root causes and mitigating controls were also identified and are being rolled out across the Group.</p> <p>A more co - ordinated approach has now been adopted.</p>
3.6	The Audit and Risk Committee should satisfy itself of the resources and experience of the Company's finance function.	Applied	Applied	The finance functions consist of suitably qualified individuals, headed by the Group Finance Director.
3.7	The Audit and Risk Committee should be responsible for overseeing of Internal Audit.	Applied	Applied	The Audit and Risk Committee approves the annual internal audit plan. The Group Internal Auditor and the Risk Manager report to the Committee at all its meetings.
3.8	The Audit and Risk Committee should be an integral part of the risk management process.	Applied	Applied	The Board has assigned oversight of the Group's risk management function to a well established Audit & Risk Committee.
3.9	The Audit and Risk Committee is responsible for recommending the appointment of the external auditor and oversees the external audit process.	Applied	Applied	Audit & Risk Committee appoints the external auditors and approves their remuneration, ensuring that the level of remuneration is appropriate to enable an effective audit. The external auditor's remuneration is put to Shareholder's vote at Annual General Meetings.

Sefalana prides itself on insisting on sound corporate governance to provide assurance to its shareholders

The Audit & Risk Committee acts in accordance with its statutory duties and the delegated authority of the Board in terms of governance of risk. The Audit & Risk Committee is an integral component of the risk management process and oversees the development of policies.

King III Chapter ref	King III Principle	2014	2015	Commentary
3.10	The Audit and Risk Committee should report to the Board and shareholders on how it has discharged its duties.	Applied	Applied	The Chairman of the Audit & Risk Committee reports to the Board at all its meetings and minutes of the Audit & Risk Committee are provided to the Board.
Chapter 4 – Governance of Risk				
4.1	The Board should be responsible for the governance of risk.	Applied	Applied	The Audit & Risk Committee acts in accordance with its statutory duties and the delegated authority of the Board in terms of governance of risk. The Audit & Risk Committee is an integral component of the risk management process and oversees the development of policies.
4.2	The Board should determine the levels of risk tolerance.	Applied	Applied	Recommendations concerning the levels of tolerance and appetite, and monitoring that risks are managed within these parameters, are considered by the Board.

King III Chapter ref	King III Principle	2014	2015	Commentary
4.3	The Risk Committee or Audit and Risk Committee should assist the Board in carrying out its risk responsibilities.	Applied	Applied	The Board is assisted by an independent and effective Audit & Risk Committee. The Chairman of the Committee reports to the Board at all its meetings.
4.4	The Board should delegate to management the responsibility to design, implement and monitor the risk management plan.	Applied	Applied	The Company has established practices on risk management.  The risk management policy was developed during the year and considered by the Audit & Risk Committee.
4.5	The Board should ensure that risk assessments are performed on a continual basis.	Applied	Applied	Risk assessments are conducted on a continuous basis and reported to the Board through the Audit & Risk Committee.
4.6	The Board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating unpredictable risks.	Applied	Applied	The Audit and Risk Committee provide oversight over risk management. Assurance of good governance is achieved through the regular measurement and reporting of risk management. To achieve this, recent risk management initiatives included: <ul style="list-style-type: none"> <li>A documented, approved Risk Management Policy, Framework and Plan.</li> <li>Board and Executive management assessment of risks impacting on the Group's strategic objectives.</li> </ul> During the year, the Board and Executive Management held independent risk assessments to identify, and consolidate all potential risks that impact its strategy. A strategic risk register with core risks is maintained and these shall be monitored on a continuous basis by the Board.
4.7	The Board should ensure that management considers and implements appropriate risk responses.	Applied	Applied	Risks are identified, assessed and monitored by Internal Audit and reported to the Board through the Audit & Risk Committee.
4.8	The Board should ensure continuous risk monitoring and management.	Applied	Applied	Risk reports are submitted to Audit & Risk Committee at all its meetings.
4.9	The Board should receive assurance regarding the effectiveness of the risk management process.	Applied	Applied	Updates on management risk mitigation are reported to the Audit & Risk Committee at all its meetings.



King III Chapter ref	King III Principle	2014	2015	Commentary
4.10	The Board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders.	Not Applied	Not Applied	<p>The following processes serve to promote appropriate risk disclosures and assurance:</p> <ul style="list-style-type: none"> <li>Management provides assurance to the Board that the risk management plan is integrated in the daily activities of the company.</li> <li>Internal Audit provides a written assessment of the effectiveness of the system of internal controls and Risk Management.</li> </ul> <p>A summary of the Groups' key risks is reported in the Annual Report.</p>
Chapter 5 - Governance of Information Technology				
5.1	The Board should be responsible for Information Technology (IT) Governance.	Applied	Applied	The Board has endorsed Group IT Policies and Procedures and the Group IT strategy was developed during the year. The Group IT Manager reports to the Audit & Risk Committee at all its meetings.
5.2	IT should be aligned with the performance and sustainability of objectives of the Company.	Applied	Applied	The Board ensures that the IT strategy is integrated into the Sefalana Group's strategic and business processes, and that IT is in alignment with the achievement of the Group's business objectives.
5.3	The Board should delegate to management the responsibility for the implementation of an IT Governance Framework.	Applied	Applied	Group management is mandated by the Audit & Risk Committee to guide IT governance framework within the Group. The framework supports effective and efficient management and decision making around the utilisation of IT resources to facilitate the achievement of the Group's objectives and the management of IT - related risk.
5.4	The Board should monitor and evaluate significant IT investments and expenditure.	Applied	Applied	The Group management monitors and evaluates significant IT investments, expenditure and disposal of IT assets. A report in this regard is tabled at each meeting of the Audit & Risk Committee. The Board also ensures that the information and intellectual property contained in the information systems are protected.
5.5	IT should form an integral part of the Company's risk management.	Applied	Applied	The IT risk management framework includes the assessment and management of all significant IT risks. IT risk management includes disaster recovery planning, IT legal risks and compliance to laws, rules, codes and standards that are an integral part of the Group's risk management.



King III Chapter ref	King III Principle	2014	2015	Commentary
5.6	The Board should ensure that information assets are managed effectively.	Applied	Applied	The Board ensures that processes are in place to ensure information assets are effectively managed.
5.7	A Risk or Audit Committee should assist the Board in carrying out its IT responsibilities.	Applied	Applied	IT is represented at Audit & Risk Committee meetings by the IT Director and Group IT Manager. Detailed feedback is made to the Audit and Risk Committee on the IT governance framework and progress reports are provided to ensure that any IT risk is appropriately managed and mitigated.
<b>Chapter 6 - Compliance with Laws, Rules, Codes and Standards</b>				
6.1	The Board should ensure that the Company complies with applicable laws and considers adherence to non - binding rules, codes and standards.	Applied	Applied	The Company complies with applicable laws and non - binding rules. The Company Secretary certifies that such rules are adhered to. The Company also seeks professional legal advice from time to time.
6.2	The Board and each individual Director should have a working understanding on the effect of the applicable laws, rules, codes and standards on the Company and its business.	Applied	Applied	Any changes in laws and rules which affect the Company are included in the Board's agenda as and when applicable.
6.3	Compliance should form an integral part of the Company's risk management process.	Applied	Applied	The risk of non - compliance is monitored, assessed and responded to through the Company's risk management process.
6.4	The Board should delegate to management the implementation of an effective Compliance Framework and processes.	Partially Applied	Partially Applied	Compliance is monitored, assessed and responded to through the Company's risk management process. A formal Compliance policy has not yet been developed.
<b>Chapter 7 - Internal Audit</b>				
7.1	The Board should ensure that there is an effective risk - based internal audit.	Applied	Applied	An Internal Audit function is in place and is expanding with the growth of the Group.
7.2	Internal audit should follow a risk - based approach to its plan.	Applied	Applied	Internal Audit follows a risk - based approach in its annual audit planning which is considered and approved by the Audit and Risk Committee.
7.3	Internal audit should provide a written assessment of the effectiveness of the Company's system of internal controls and risk management.	Applied	Applied	A written assessment of internal controls is issued to the Audit and Risk Committee in accordance with an agreed timetable.

King III Chapter ref	King III Principle	2014	2015	Commentary
7.4	The Audit and Risk Committee should be responsible for overseeing Internal Audit.	Applied	Applied	The Audit and Risk Committee is responsible for overseeing of Internal Audit; the Committee approves the audit plan and receives quarterly activity reports from Internal Audit.
7.5	Internal Audit should be strategically positioned to achieve its objectives.	Applied	Applied	The Company has an effective Internal Audit function which reports to the Audit & Risk Committee and has the respect and cooperation of both the Board and Management.
<b>Chapter 8 - Governing Stakeholder Relationships</b>				
8.1	The Board should appreciate that stakeholders' perceptions affect a Company's reputation.	Applied	Applied	The Board, through the Sefalana Group Strategy monitors legitimate stakeholder interests and expectations, relevant to the Group's strategic objectives and long - term sustainability. The Group Strategy Coordinator reports directly to the Board every quarter.
8.2	The Board should delegate to management to proactively deal with stakeholder relationships.	Applied	Applied	The Board not only encourages proactive stakeholder engagement through attending Annual General Meetings but also through informal processes such as direct contact, advertising and press releases. The Sefalana website was recently launched to improve interaction with various stakeholders.
8.3	The Board should strive to achieve the appropriate balance between its various stakeholder groupings, in the best interests of the Company.	Applied	Applied	The Board strives to achieve an appropriate balance between the interests of various stakeholders in its decision - making.
8.4	Companies should ensure the equitable treatment of Shareholders.	Applied	Applied	The Company acts in accordance with the requirements of the Companies Act and the BSE Listings Requirements regarding the treatment of Shareholders. The Chairman of the Board encourages all Shareholders to participate at the Annual General Meetings and opens the floor for questions and discussion.
8.5	Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence.	Applied	Applied	The Company ensures that information to stakeholders is sent timeously and that it is clear and comprehensive.
8.6	The Board should ensure that disputes are resolved effectively, efficiently and expeditiously as possible.	Applied	Applied	The Board sees itself as a champion of ethical leadership and behavior in the Group and as such strives to resolve disputes amicably.



King III Chapter ref	King III Principle	2014	2015	Commentary
Chapter 9 - Integrated Reporting and Disclosures				
9.1	The Board should ensure the integrity of the Company's integrated report.	Partially Applied	Partially Applied	Through the Audit and Risk Committee, the Board has placed controls to enable it to verify and safeguard the integrity of its integrated reporting. The Audit and Risk Committee reviews and considers the financial statements prior to publishing. Integrated reporting will be developed in time.
9.2	Sustainability reporting and disclosure should be integrated with the Company's financial reporting.	Partially Applied	Partially Applied	Sustainability reporting is treated as part of the Corporate Social Responsibility Report in this annual report. Further developments in this area are on - going.
9.3	Sustainability reporting and disclosure should be independently assured.	Not Applied	Not Applied	The Company has considered seeking independent third party assurance and has decided not to seek external assurance this year, as it believes that reporting processes have improved and are still improving. However independent assurance may be sought in the future.



Value in your pocket. Everyday.

With better quality and better products, Sefalana Shopper is all about adding value back into your pocket.  
**Sefalana Sa Rona - Your family value store**

Group Risk Framework

The Board has a policy of continuous identification and review of key business risks, and oversees the development of processes in place to ensure that these risks are identified and managed appropriately.

An enterprise wide approach to risk management has been adopted by our Group and risk workshops are held regularly to ensure all relevant risks are identified in time. This process relies on the Board’s judgement of the risk likelihood and impact and also the development and monitoring of necessary controls to ensure these risks are monitored and mitigated on a continuous basis.

The Audit and Risk Management Committee is delegated responsibility from the Board for considering strategic, operational, financial and compliance risks on a regular basis and receives reports on the controls over these risks.

The day – to – day responsibility for identifying, evaluating and managing risk resides with Management. The risk management

process, which is regularly assessed by the Audit and Risk Committee, involves a formalised system to identify and assess risk, both at a strategic and operational level. Mitigating controls, and other assurances in identifying and assessing the risks, are continuously evaluated.

The Group’s assets are insured against loss. In a disaster recovery circumstance, business continuity plans are in place and will ensure the business continues with the least amount of disruption, both from an information technology and operational viewpoint. Business continuity plans are reviewed and updated regularly.

During the period under review, the Group’s Risk Management Framework and Risk Management Policy were refreshed and presented to the Board in light of the recent growth and expansion.

The table below sets out a summary of our key risks and examples of relevant controls and mitigating factors. The Board considers these to be the most significant risks faced by our Group which may impact the achievement of our strategic objectives. This does not comprise all of the risks associated with our business but summarises the key risks identified.

RISK	RISK MITIGATION
<b>1. Business strategy</b> <ul style="list-style-type: none"><li>Non alignment of the strategic objectives to business initiatives</li></ul>	<ul style="list-style-type: none"><li>Regular review of performance against strategic targets</li><li>The business strategy has been aligned to subsidiary business operations to ensure the aggregate of these achieves the overall Group objectives.</li></ul>
<b>2. Market position</b> <ul style="list-style-type: none"><li>Ineffective market analysis</li><li>Customer complaints</li></ul>	<ul style="list-style-type: none"><li>Continuous review and challenge of our pricing through on - going benchmarking and third party reviews</li><li>Regular customer satisfaction surveys to establish changing needs of customers</li></ul>
<b>3. Procurement and strategic sourcing</b> <ul style="list-style-type: none"><li>Failure to deliver effective product availability and growth initiatives</li></ul>	<ul style="list-style-type: none"><li>Strong sourcing capabilities with established buying operations continue to be leveraged to maintain optimal procurement costs</li><li>Proactive management in procurement and strategic sourcing</li><li>Review of product range and new product introductions</li></ul>
<b>4. Diversification and growth</b> <ul style="list-style-type: none"><li>Incorrect capital investment</li></ul>	<ul style="list-style-type: none"><li>Actively monitoring sales growth, cost efficiencies and profitability</li><li>Embedded disciplines to maintain strong management of working capital and cash generation</li><li>On-going evaluation to optimise the Group’s store network</li><li>Minimum expected rates of return on investments</li></ul>
<b>5. Information and Data Management</b> <ul style="list-style-type: none"><li>Inappropriate management information systems</li><li>Failure or unavailability of operational and / or IT infrastructure</li></ul>	<ul style="list-style-type: none"><li>Maintaining and regularly testing business continuity plans</li><li>Establishment of information governance structures</li><li>Development of a Group - wide ICT Strategy</li></ul>
<b>6. Value Based Employee Culture (People)</b> <ul style="list-style-type: none"><li>Staff recruitment and retention</li><li>Promoting the culture of performance</li></ul>	<ul style="list-style-type: none"><li>Training schemes and graduate recruitment programmes enable the Group to both attract and maintain a strong workforce.</li><li>Adaptive and innovative ways of working to attract and retain talented resources.</li></ul>







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**Sefalana**

Sa Rona - Your family value store

Our Management Teams



**Chandra Chauhan**  
Group Managing Director (GMD)



**Mohamed Osman**  
Group Finance Director (GFD)



**Saju Peter**  
Group Financial Controller



**Lorato Modise**  
Head of Internal Audit



**Bofithlile Malesela**  
Property Accountant



**Michael Simaye**  
Group IT Manager



**Izdiyar Salim**  
Group Financial Accountant



**Gofaone Senna**  
Group Company Secretary



**Omphemetse Mokgosi**  
PA to GMD and GFD



**Yule Madikwe**  
Group Internal Auditor



**Wame Letshwiti**  
Group Strategy Coordinator



**Mosetsana Disela**  
Receptionist



**Otsile Chapo**  
Office Cleaner



**Kgositsile Setumo**  
Messenger

Our Management Teams



**Hans Kampmann**  
Managing Director



**Moagi Buzwani**  
Operations Director Wholesale



**Mike Makin**  
Finance Director



**Zane Hoosen**  
Operations Director Retail



**Gilbert Buchler**  
Merchandise Director



**Oteng Yezo**  
Human Resource Director



**David Levin**  
Corporate Services Director



**Godfrey Ndwapi**  
Risk Director



**Akhtar Nanuck**  
Dealer Principal



**Sukhpal Ahluwalia**  
General Manager



**Khumo Christos**  
Finance Manager



**Nazim Shaikh**  
Parts Manager  
(Honda, MAN, Tata)



**Allan Ryan**  
Workshop Manager  
(Honda, MAN)



**Upul Kalansooria**  
Workshop Manager  
(TATA)



Our Management Teams



**Oaitse Goitsewang**  
General Manager  
Production



**Boby Joseph**  
General Manager



**Clifford Motsemme**  
Quality Manager



**Mavis Manyapelo**  
Human Resource  
Manager



**Blessing Mundaarimberi**  
Mechanical Supervisor



**Mmoloki Tseletso**  
Maintenance Manager



**Kevin Morris**  
Managing Director



**Amande Morris**  
Operations Director



**Sophie Motala**  
Finance Accountant



**Truley Tshuma**  
Messenger

Our Management Teams



**Dave Marsh**  
General Manager



**Zeenat Malek**  
Finance Manager



**Maitumelo Mosweunyane**  
MF Group HR Manager



**Jacob Tshipinare**  
Parts Manager



**Igobe Osupile**  
Senior Workshop Technician



**Kabo Baile**  
Workshop Administrator



**Lemogang Makuo**  
Sales Executive



**Tim Yannitsaros**  
General Manager



**Malome Kesupile**  
HR Manager



**Phemelo Hosia**  
Finance Manager





**Sefalana**  
Hyper

**Sefalana**  
Cash & Carry

**Sefalana**  
Shopper

**Sefalana**  
Quick

**Sefalana**  
Liquor

### Sefalana Cash and Carry Limited

Sefalana Cash and Carry Limited operates in the fast - moving consumer goods (“FMCG”) sector. The Company’s store portfolio is spread throughout Botswana and now includes our very first ‘Sefalana Quick’ store which was opened in June 2015. Our store compliment consists of 21 retail supermarkets under the name “Sefalana Shopper”, 25 cash and carry outlets trading under the name “Sefalana Cash & Carry”, 3 Hyper Stores located in Gaborone, Francistown and Mahalapye, trading as “Sefalana Hyper”, and 1 cigarette distribution outlet trading under the name “Capital Tobacco”. In addition, the Company has just under four hundred voluntary retail franchise members located throughout Botswana who trade under the names Supa 7, Supa Deal, Citi Saver, Bonanza, Pula Value and Triple Seven Liquor.

21

Sefalana Shopper  
retail supermarkets

25

Sefalana Cash & Carry  
outlets

3

Sefalana Hyper  
Stores

400

voluntary retail  
franchise members  
located throughout  
Botswana

who trade under the names Supa 7, Supa Deal, Citi Saver,  
Bonanza, Pula Value and Triple Seven Liquor

1

Capital Tobacco  
cigarette distribution  
outlet



Providing great quality products and a wide range of general merchandise at the right price, has been our passion for over 40 years as we strive to help our customers manage their weekly shopping. Our geographical spread over the years has been strategic with an aim to be located in all major urban and pre - urban centres across the country. We continue to grow strategically through a program of extensions and refurbishments of our stores. More recently our stores are in the process of being rebranded and this is proving to be very popular with our customers. We pride ourselves on providing our customers with an improved shopping experience and look to be the store of choice in our market.

The Botswana FMCG business continues to be the largest contributor to the Group’s financial results. We believe that this sustained level of profitability is driven by our focus on improving the shopping experience for our customers, through innovating our offers, enhancing the layout of our stores, extending our product range, giving more variety to our consumers and strengthening our brand. Our convenience stores continue to deliver higher returns and make a valuable contribution to the local community, bringing with it increased trade and footfall and providing jobs for local people. Our Retail division did very well this year.

Our dedicated store management team is supported by central leadership. Store managers focus on running their stores, meeting consumers and supporting communities in line with providing the highest levels of quality and care that customers expect from a brand they have come to know and trust since 1974. We are now a preferred alternative to other brands in the market and through striving for perfection in our operations and offers, we are finding that our customers come back to us time and again illustrating their growing loyalty to us.

By leveraging off our software systems and reporting tools, we are able to make better use of management information to support decision making regarding what our customers want, improving efficiency and achieving optimal inventory levels in our stores. We focus on ensuring our supply chains are efficient and reliable and that our service standards are monitored closely and continually improved.

We continue to make considerable investment in our human capital, running our BQA accredited training programmes, facilitating developmental enrolment with Maccauley Learning Academy and partnering with the University of Stellenbosch in the continual development of our training material. An annually revised plan is in place for all our departments and branches to ensure we respond to the latest developments in performance management. We constantly develop and evaluate our ability to bring the best out of our business and its people. These training initiatives have been very successful in attracting and retaining the best talent in the market.

Over time we have developed strong business relationships with our other stakeholders, focused on training and mentorship programmes for our staff, and supporting our Community through our Corporate Social Responsibility activities.

Our outlook for this division is very positive but we acknowledge that it will be impacted by the limited size of the local market and the continued pressure on disposable consumer income driven by the sustained economic downturn. Whilst we take note of the shift in shopping trends over the past few years, we believe the growth of our business, in particular within the retail arena, will be supported by a return of consumer confidence and spending in the ensuing years.

Developing channels and services that complement our existing supermarket business is a key part of our long term strategy for growth. We are currently working to provide an easier and more practical means of shopping for our customers through investing in systems that will enable the ultimate online shopping experience which will be the first of its kind in Botswana. We are also developing a customer loyalty programme which we expect to launch in the coming months.

Sefalana – Your family value store.



Sefalana Cash and Carry Namibia  
(Proprietary) Limited (“Metro”)

During the year we extended our retail and wholesale operations into neighbouring Namibia and welcomed a new family of stores into the Sefalana FMCG business as our first step in the expansion into Southern Africa. We were welcomed into the country as we offered a wider choice of products and better pricing to the consumer, and also provided employment to over 250 people.

Our first store in Namibia was opened in Katima Mulilo in January 2014 and through the purchase of the Metro Group in July 2014, we now have a total of 13 stores across the country, imprinting our footprints deep into Namibian soil. The grand opening of our stores was held in March 2015 and proved to be a resounding success, well attended by Namibian dignitaries and the Sefalana Board of Directors.

A strong management team leads the operations in Namibia from our Head Office in the capital, Windhoek, which is also home to our Hyper and Liquor store – both the largest in Namibia.

The business has a policy to support the communities in which it operates and has already contributed to a number of charities and old age homes in the country. These activities will form part of a CSR initiative that is currently being developed by the Company.

Namibia offers an emergent economy and a budding population which have responded well to our presence. We are constantly on the lookout for other potential sites in Namibia which will be considered for additional store openings as the opportunities arise, building our presence and serving the population in both urban and rural areas.

We are excited about this new division which is now already a substantial contributor to the bottom line results of the Group. In its first year of operations, we performed better than anticipated. We look forward to growing this business further and to investing in suitable property in the country.





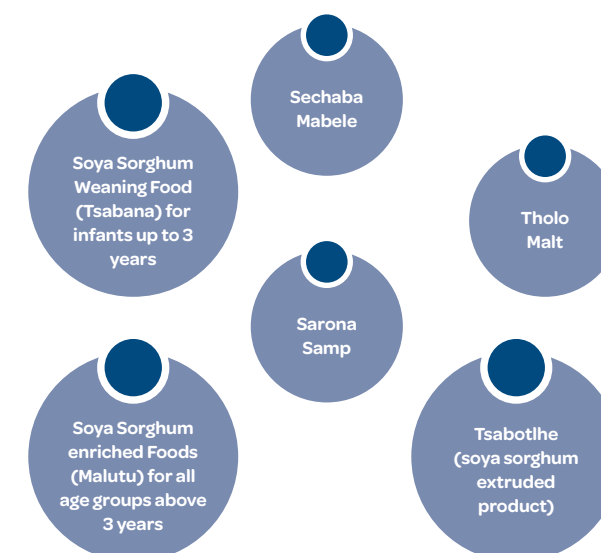
## Company Profiles (continued)



### Foods Botswana (Proprietary) Limited (“Foods Botswana”)

**Foods Botswana operates a factory in Serowe from which it mills and produces sorghum, soya and maize - based extruded products, malt and diastatic malt. Its main activity is the provision of enriched meals for the Government feeding schemes but also manufactures a variety of its own branded products. The Company is focusing on developing these products and is increasingly winning market share. We have recently entered the sugar bean market through the packaging and distribution of sugar beans.**

The products currently produced by this Company include:



We pride ourselves on the production of our well established, nationally renowned products made for Botswana, by Batswana. Protecting the position of our local - flavour house brands is a continuous management process with our resources constantly focused on developing our products, and improving quality.

The Company has a policy to support its local community through social contributions and supporting farmers through the purchase of Sorghum. Foods Botswana continually encourages local farmers to increase production allowing them to be the Mill's first choice in sorghum selection as compared to sourcing grain from outside the country.

Year on year, Foods Botswana devotedly continues to support the SOS Village and numerous schools within the vicinity through sponsoring fund raisers, supporting events and football clubs. Tsabotlhe football club, a club initially formed by Foods Botswana, qualified to play in first division last year and has been able to maintain this in the current year. The team is now playing against other first division clubs. We wish Tsabotlhe all the best in its competitions!

Despite our business being exposed to constantly shifting commodity prices, we have managed to mitigate this risk by ensuring effective and strategic procurement of grain. This year we found an improvement in yields and pricing which resulted in added profitability. Continual investment in plant and processes has also enabled us to further improve the quality of our products.

During the year, we have increased operational capacity through the commissioning of two additional silos and a new maize plant in Serowe. This will enable a better grain storage facility, improving the quality and value of our products and allowing for increased production and ultimately a greater share of the market. The maize plant will be used to manufacture our own house - brand maize meal which is currently being outsourced to a third party. Our 52 FMCG stores will help facilitate the sale of this product which has become increasingly popular in the market.

In recent months the Group has embarked on the Foods Botswana Beverages division of the Company, which includes a UHT milk plant and a juice plant. This is expected to improve the overall Company's profitability and contribution to the Group results.

We are currently one of the largest employers in Serowe with a workforce of over 200 citizens. The introduction of a new maize plant in the area will result in further employment of around 30 staff. The Beverages division is expected to require an additional 50 employees.

We are optimistic about the future and the development of our Foods Botswana brands and look forward to an even more successful year ahead.







As the official franchised local representative for MAN (Heavy commercial vehicles), HONDA (Passenger vehicles and motorcycles) and TATA (Light and heavy commercial vehicles) in Botswana, Commercial Motors remains an important and integral component of the Sefalana Group.



The Company is proud of its impressive showrooms and workshops in the Broadhurst Industrial area, Gaborone. Commercial Motors continues to better itself in the marketplace by building brands that are visible, appreciated and believed in by our growing customer base.

The technologies used in the workshops and back - office conform to international standards and with the leadership and support of our management team, working efficiencies and communication with principals continue to improve year on year. This has translated into faster, smarter service delivery and greater customer satisfaction and loyalty.



### MAN (heavy commercial motor vehicles)

MAN provides a range of trucks, special - purpose vehicles and buses of impeccable quality. With a 250 year history of innovation and transport technology development, MAN, Germany's oldest listed Company, produces a variety of vehicles that have proved to be favoured over a number of its competitors. Focused on key technology, the company offers a variety of innovative commercial vehicles and power engineering products. The maturity of the brand, longevity and durability of its vehicles continues to generate a growing customer interest. Our model range includes short and long range haulage, commuter MCV range bus services, garbage trucking, and a range of military applications. The Trucknology Generation range (CLA/TGM/TGS) continues to offer truck owners efficiency and dependability and provides drivers with a better, safer drive. Through MAN's excellence in ergonomics, efficiency, eco - design, safety and engineering, it has won such awards as "Green Truck of the year", and "International Truck of the Year" several times since the award inception in 1977. MAN also won two "Focus on Excellence Awards" in South Africa making us a very successful brand globally.









## Tata (light and heavy commercial motor vehicles)

Tata Motors Limited is India's largest automobile company, with over 25 000 employees worldwide. Tata employees are guided by the Tata Group vision to be "best in the manner in which we operate, best in the products we deliver, and best in our value system and ethics." Tata is the world's second largest bus manufacturer and the fourth largest manufacturer of medium and heavy commercial vehicles.

Our Tata range predominantly specialises in the construction, sales and after - sales service of Tata Buses and Tata Trucks. Tata Buses and Trucks surpass many of their competitors in power, speed, carrying capacity and operating economy. Tata Trucks have set the new benchmark in life - cycle costs, design and technology, offering class - leading features, reliability, comfort and safety at an affordable price. Our Tata buses offer three models with seating capacity for 28, 38 and 65 passengers.

Tata vehicle models incorporate technologies acquired from Tata Group subsidiaries ranging from Daewoo Motors to Jaguar, Land Rover and strategic partners including Marco Polo, that enable Tata to produce a competitive range that is efficient in capital and running costs, as well as promoting a reduced environmental impact from its products. Tata has a remarkable collection of awards for vehicle efficiency and enviro - friendliness. During the year, the TATA Prima was introduced to the heavy commercial vehicles market. This range of trucks offers increased productivity and longer life making the range an indispensable asset for large captive users, miners, transporters or owner - drivers. The range includes tractor - trailers and tippers apt for several applications and thus meeting varied end - user requirements.



HONDA

## Honda (passenger vehicles)

Honda as a car manufacturer has in recent years received, amongst others, the following awards: "Car of the Year", "World Green Car of the Year", "Top Safety Pick" and "Best Retained Value". Our brand continues to deliver class leading dynamics with the highest level of driver and passenger safety, durability, reliability and economy. The 2015 CRV and Accord were added onto our showroom display this year. The Group is proud to be the sole distributor of Honda vehicles in Botswana, supporting a long - established blend of unbeatable Honda safety and security, value for money, performance and handling, comfort and convenience capped with a fun drive.



## Honda (motorcycles)

The motorcycle models supported by us range from Superbikes to Cruisers and from Commercial and Commuting bikes to off - road 4 wheelers. The Honda motor cycle brand is recognised both locally and abroad as a leading brand in its segment.

Our focus for the coming year is to improve on our customer service through offering technically advanced support, maintenance and repairs. We ensure our workshop staff are kept up to date with the latest servicing techniques and technology through regular training and development.

We welcome our current and potential customers to visit our showrooms in Broadhurst to test drive and see our motorcycles and vehicles first hand.



A Sefalana Group Company

Mechanised Farming is situated in the Broadhurst Industrial area from where it operates a showroom and workshop. The Company brings together the knowledge and heritage of leading agricultural brands; Massey Ferguson, Wacker, Electromotive Diesel and Honda. These proven brands are backed by the strength and resources of the company's commercial and industrial product support.





Through these brands the company sells tractors, agricultural equipment, construction equipment, power - generating plants, water pumps, EDM locomotives and related spares. Our engineering workshop for repairs and maintenance provides exceptional after sales service on all machinery and equipment for our brands.

Mechanised Farming represents the following brands in Botswana:

- Barloworld Agriculture – Massey Ferguson Tractors, Implements & Perkins engines spare parts. Massey Ferguson tractors have proven to be a leading brand in Botswana in the agricultural industry;
- Honda RSA – Honda Power products which include electric generator sets, engines, water pumps, lawn mowers, etc. We provide comprehensive stock holdings of spares for after sales service with a dedicated engineering workshop;
- Wacker Neuson RSA – Construction machinery & equipment (rammers, compactors, vibration pokers, concrete cutters & grinders. etc.). This brand is well established in Botswana and has proven reliability in the building and construction industry;
- Electromotive Diesels (EMD) USA –sole authorized dealer for supply of imported diesel electric locomotives and spares;
- CASE Equipment RSA – Case heavy plant machines, construction equipment and golf carts;
- Radium Engineering – Agricultural implements and equipment and tractor - powered bush cutting;
- Agrinet – Yanmar engines and water pumps and;
- Turner Morris – Concrete mixers, compactors and general construction equipment.

During the year Mechanised Farming focused on cultivating relationships with its valued customers and providing excellent and timely services for all maintenance jobs. This, together with an increased emphasis on advertising has resulted in pleasing results from this entity. Going forward, we aim to improve performance through increased visibility, the introduction of new products and the extension of our market presence. As a Group, we look forward to an increased contribution from this entity.



NATURAL VALUE FOODS



During the year, Natural Value Foods Botswana was established as a joint venture between Sefalana and Natural Value Foods (Proprietary) Limited (South Africa). The entity is a wholesaler of fresh fruit and vegetables and supplies its produce to Sefalana retail and wholesale stores throughout the country.

This business was set up with an aim of improving the quality of fresh produce on offer in our stores. Produce is procured from local farmers wherever possible and we are pleased to note very positive feedback from our customers in this regard.

Natural Value Foods is a well - known brand in South Africa and prides itself on its ability to harvest the finest conventional and organic produce selections, fulfilling customer needs of quality, price and condition.



Kgalagadi Soap Industries (Proprietary) Limited ("KSI")



One of the oldest manufacturing companies in Botswana, KSI manufactures laundry and bath soaps, under brand names such as Marang, Olga, Fusion and the recently developed house brands for the Zimbabwe market. Our toilet soap is a favourite with local hospitality providers and our Company has provided employment for many Batswana since its inception in 1988.

In the previous year, the Group entered into an agreement with a strategic partner and diluted its shareholding in the Company. This entity which was previously a 50% owned subsidiary, has since been accounted for as an associate company with an effective 25% interest.

Sefalana Properties

Historically Sefalana has made significant strategic investments in property, and as at 30 April 2015, the Group holds over 550 000 square meters of land, of which just under 130 000 square meters is developed property. Sefalana and its subsidiaries occupy roughly three quarters of this developed property and the Group earns a considerable rental income from its third party tenants.


Our Botswana properties are spread throughout the country and include office blocks, workshops, factories, and warehouses. Our undeveloped land provides the Group with a remarkable potential for future investment and capital appreciation. Management continually evaluates investment projects to maximize returns for our shareholders and is currently evaluating a number of capital projects.

During the year, we completed the building of our new head office in Broadhurst which we have recently occupied. The new head office brings with it a new look and feel for Sefalana, which we are very excited about.

In Lusaka, Zambia we have a first class well positioned property. This property is rented out to third parties and provides the Group with a substantial income stream and has shown significant increases in market value over the years. Rental income is denominated in US Dollars and the favourable final tax rate of 10% of turnover makes this a very strong investment.

We are continually on the lookout for key locations for our store openings and the investment in additional, strategically located properties throughout Botswana, Zambia and Namibia. We are currently developing a number of our properties in Botswana which is expected to yield some very positive returns in coming years.





# SEFALANA ANNUAL FINANCIAL STATEMENTS 2015



Statement of Directors' Responsibility

The Directors of Sefalana Holding Company Limited are responsible for the Company and Group annual financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of annual financial statements in accordance with International Financial Reporting Standards.

The Company and all companies within the Group maintain systems of internal control which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of the Company's assets. The Directors are also responsible for the design, implementation, maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the Directors to indicate that any significant breakdown in the functioning of these systems has occurred during the year under review.

The going concern basis has been adopted in preparing the annual financial statements. The Directors have no reason to believe that the Company and Group will not be a going concern in the foreseeable future based on forecasts and available cash resources.

Our external auditors conduct an examination of the financial statements in conformity with International Standards on Auditing, which include tests of transactions and selective tests of internal accounting controls. Regular meetings are held between management and our external auditors to review matters relating to internal controls and financial reporting. The external auditors have unrestricted access to the Board of Directors.

The annual financial statements set out on pages 98 to 155 for the year ended 30 April 2015 were authorised for issue by the Board of Directors on 22 July 2015 and are signed on their behalf by:

Dr. PHK Kedikilwe, PH, NYB  
Chairman

Chandra Chauhan  
Group Managing Director

Independent Auditor's Report to the Members  
of Sefalana Holding Company Limited



Report on the Financial Statements

We have audited the Group annual financial statements and annual financial statements of Sefalana Holding Company Limited, which comprise the consolidated and separate statement of financial position as at 30 April 2015, the consolidated and separate statements of comprehensive income, changes in equity and cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes as set out on pages 98 to 155.

Directors' Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. These standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the consolidated and separate financial position of Sefalana Holding Company Limited as at 30 April 2015, its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers  
Practicing member: Rudi Binedell  
Membership number: 20040091

Gaborone  
22 July 2015

PricewaterhouseCoopers, Plot 50371, Fairgrounds Office Park, Gaborone, PO Box 294, Gaborone, Botswana  
Tel: (+267) 3952011, Fax: (+267) 3973901, www.pwc.com/bw  
Country Senior Partner: BD Phirie  
Partners: R Binedell, R P De Silva, A S Edirisinghe

## Statement of Comprehensive Income

For the year ended 30 April 2015

	Note(s)	GROUP		COMPANY	
		2015	2014	2015	2014
		P'000	P'000	P'000	P'000
<b>REVENUE</b>	5	3 463 960	2 368 466		
Cost of sales		(3 181 308)	(2 139 200)		
Gross profit		282 652	229 266		
Other income and gains	8	29 693	35 662		864
Administrative expenses		(127 050)	(105 748)	(1 606)	(1 363)
<b>Earnings / (loss) before interest, tax and amortisation (EBITA)</b>		<b>185 295</b>	<b>159 180</b>	<b>(1 606)</b>	<b>(499)</b>
Amortisation	16 & 17	(4 874)	(1 484)		
Net finance income / (costs)		10 142	(2 007)	70 672	21 459
Investment income	7	17 668	5 376	73 505	21 622
Finance costs	9	(7 526)	(7 383)	(2 833)	(163)
Profit before share of results of associate and joint venture		190 563	155 689	69 066	20 960
Share of results of associate	18	1 131	35		
Share of results of joint venture	19	(548)		(548)	
<b>Profit before tax</b>		<b>191 146</b>	<b>155 724</b>	<b>68 518</b>	<b>20 960</b>
Income tax expense	10	(38 676)	(30 094)	(5 757)	(1 622)
<b>PROFIT FOR THE YEAR</b>	11	<b>152 470</b>	<b>125 630</b>	<b>62 761</b>	<b>19 338</b>
<b>Other comprehensive income:</b>					
<b>Items that will not be reclassified to profit or loss</b>					
Gain on revaluation of land and buildings		23 034	28 336		
Gross gain on revaluation of land and buildings		29 207	36 042		
Income tax on gain on revaluation of land and buildings		(6 173)	(7 706)		
<b>Items that may be subsequently reclassified to profit or loss</b>					
Currency translation differences		(3 532)	(4 508)		
<b>Other comprehensive income for the year (net of tax)</b>		<b>19 502</b>	<b>23 828</b>		
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>171 972</b>	<b>149 458</b>	<b>62 761</b>	<b>19 338</b>
<b>PROFIT FOR THE YEAR ATTRIBUTABLE TO:</b>					
Owners of the parent		142 300	118 165	62 761	19 338
Non - controlling interests		10 170	7 465		
<b>TOTAL PROFIT FOR THE YEAR</b>		<b>152 470</b>	<b>125 630</b>	<b>62 761</b>	<b>19 338</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>					
Owners of the parent		162 198	142 518	62 761	19 338
Non - controlling interests		9 774	6 940		
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>171 972</b>	<b>149 458</b>	<b>62 761</b>	<b>19 338</b>
<b>BASIC EARNINGS PER SHARE (THEBE)</b>	13	<b>65.39</b>	<b>62.83</b>		
<b>TOTAL COMPREHENSIVE INCOME PER SHARE (THEBE)</b>	13	<b>74.53</b>	<b>75.78</b>		

## Statement of Financial Position

30 April 2015

	Note	GROUP		COMPANY	
		2015	2014	2015	2014
		P'000	P'000	P'000	P'000
<b>ASSETS</b>					
<b>NON - CURRENT ASSETS</b>					
Property, plant and equipment	14	427 123	356 682		
Investment property	15	176 479	171 165		
Intangible assets	16	144 369	31 680		
Leasehold rights	17	741	1 482		
Investment in associate	18	3 466	2 335		
Investment in joint venture	19	1 631		1 631	
Property development loan	20		198		
Deferred lease assets	21	2 510	2 073		
Deferred tax assets	22	13 066	10 594		
Retirement benefit assets	40	7 334	13 187		
Investment in subsidiaries	23			179 134	134 293
Total non - current assets		776 719	589 396	180 765	134 293
<b>CURRENT ASSETS</b>					
Inventories	24	353 816	282 878		
Trade and other receivables	25	156 005	122 693	1 710	2 472
Amounts due from related parties	26			138 972	9 105
Current tax assets	10	4 127	559	2 301	
Cash and cash equivalents	27	421 527	188 168	89 138	6 587
Total current assets		935 475	594 298	232 121	18 164
Asset classified as held for sale	28	7 164			
<b>TOTAL ASSETS</b>		<b>1 719 358</b>	<b>1 183 694</b>	<b>412 886</b>	<b>152 457</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Stated capital	29	335 712	79 243	335 712	79 243
Other reserves	30	196 761	176 863		
Retained earning		511 225	419 070	56 318	43 702
Equity attributable to owners of the parent		1 043 698	675 176	392 030	122 945
Non - controlling interests		54 821	46 507		
Total equity		1 098 519	721 683	392 030	122 945
<b>NON - CURRENT LIABILITIES</b>					
Finance lease obligations	31		1 824		
Deferred lease obligations	32	10 317	8 189		
Loans and borrowings	33	58 076	14 243	8 076	9 210
Deferred tax liabilities	22	70 993	63 381		
Total non - current liabilities		139 386	87 637	8 076	9 210
<b>CURRENT LIABILITIES</b>					
Trade and other payables	34	401 316	244 258	1 712	1 300
Amounts due to related parties	26			6 298	13 623
Finance lease obligations	31		2 096		
Loans and borrowings	33	16 526	52 454	2 296	2 002
Current tax liabilities	10	7 371	13 085	2 474	767
Bank overdrafts	27	11 243	32 330		2 610
Provisions and accruals	38	44 997	30 151		
Total current liabilities		481 453	374 374	12 780	20 302
Total liabilities		620 839	462 011	20 856	29 512
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1 719 358</b>	<b>1 183 694</b>	<b>412 886</b>	<b>152 457</b>



## Statement of Changes in Equity

For the year ended 30 April 2015

	Note	Attributable to owners of the parent				Non - controlling interests	Total equity
		Stated capital	Other reserves	Retained earnings	Total		
		P'000	P'000	P'000	P'000	P'000	P'000
<b>GROUP</b>							
At 30 April 2013		79 243	158 124	352 867	590 234	39 565	629 799
Profit for the year				118 165	118 165	7 465	125 630
Reclassification	30		(5 612)	5 612			
Other comprehensive income for the year:							
Gain on revaluation of land and buildings (net of tax)			27 959		27 959	377	28 336
Currency translation differences			(3 608)		(3 608)	(900)	(4 508)
Dividends paid - 2014 interim and 2013 final				(57 574)	(57 574)		(57 574)
At 30 April 2014		79 243	176 863	419 070	675 176	46 507	721 683
Profit for the year				142 300	142 300	10 170	152 470
Other comprehensive income for the year:							
Gain on revaluation of land and buildings (net of tax)			22 747		22 747	287	23 034
Currency translation differences			(2 849)		(2 849)	(683)	(3 532)
Disposal of subsidiary	23					(1 225)	(1 225)
Rights Issue of shares	29	256 469			256 469		256 469
Dividends paid - 2015 interim and 2014 final				(50 145)	(50 145)	(235)	(50 380)
<b>At 30 April 2015</b>		<b>335 712</b>	<b>196 761</b>	<b>511 225</b>	<b>1 043 698</b>	<b>54 821</b>	<b>1 098 519</b>

\*Other reserves consist of land and buildings revaluation reserve and currency translation reserve as set out in note 30.

	Note	Stated capital	Retained earnings	Total equity
		P'000	P'000	P'000
<b>COMPANY</b>				
At 30 April 2013	29	79 243	81 938	161 181
Profit for the year			19 338	19 338
Dividends paid - 2014 interim and 2013 final	13		(57 574)	(57 574)
At 30 April 2014		79 243	43 702	122 945
Profit for the year			62 761	62 761
Rights Issue of shares	29	256 469		256 469
Dividends paid - 2015 interim and 2014 final	13		(50 145)	(50 145)
<b>At 30 April 2015</b>		<b>335 712</b>	<b>56 318</b>	<b>392 030</b>

## Statement of Cash Flows

For the year ended 30 April 2015

		GROUP		COMPANY	
	Note(s)	2015	2014	2015	2014
		P'000	P'000	P'000	P'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit for the year		152 470	125 630	62 761	19 338
Income tax expense	10	38 676	30 094	5 757	1 622
Finance costs	9	7 526	7 383	2 833	163
Investment income	7	(17 668)	(5 376)	(73 505)	(21 622)
Movement on retirement benefit assets		5 853	3 306		
Gain on revaluation of investment property	8	(13 975)	(26 778)		
Share of profit from associate	18	(1 131)	(35)		
Share of loss from joint venture	19	548		548	
Net effect of straight line rental		1 470	2 169		
Impairment of property, plant and equipment	14	569			
Gain on disposal of property, plant and equipment	8	(230)	(347)		
Gain on disposal of subsidiary	8	(1 884)			
Conversion of subsidiary into associate and currency translations			3 955		
Amortisation of intangible assets and leasehold rights	16 & 17	4 874	1 484		
Depreciation of property, plant and equipment	14	28 462	24 022		
Cash generated by / (utilised in) operating activities before working capital changes		205 560	165 507	(1 606)	(499)
Movements in working capital:					
Trade and other receivables		(31 007)	5 165	762	(588)
Inventories		(15 485)	(60 423)		
Provisions, trade and other payables		174 291	7 070	412	(360)
Balance with related parties				(137 192)	41 671
Cash generated by / (utilised in) operations		333 359	117 319	(137 624)	40 224
Interest on loans and finance leases paid		(7 526)	(7 383)	(2 833)	(163)
Income taxes paid		(48 994)	(31 321)	(6 351)	(1 457)
Net cash generated by / (utilised in) operating activities		276 839	78 615	(146 808)	38 604
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	7	17 668	5 376	19 505	
Dividends received from subsidiaries	7			54 000	21 622
Purchase of computer software rights	16	(2 483)	(271)		
Net cash paid on business combination	23	(177 367)	(9 251)		
Purchase of property, plant and equipment	14	(64 840)	(38 283)		
Additional investment in subsidiary	23			(44 841)	
Proceeds from disposal of subsidiary	23	5 040			
Redistribution of cash on disposal of subsidiary	23	(6 886)			
Additions to investment property	15	(2 272)			
Investment in joint venture	19	(2 179)		(2 179)	
Proceeds from disposal of property, plant and equipment		654	476		
Receipts from loans advanced		198	237		
Net cash flows (utilised in) / generated by investing activities		(232 467)	(41 716)	26 485	21 622
CASH FLOWS FROM FINANCING ACTIVITIES					
Increase in / (repayment of) loan	33	7 905	3 946	(840)	(1 017)
Rights issue	29	256 469		256 469	
Movement in finance lease obligations	31	(3 920)	(3 528)		
Cash dividends paid:					
To owners of the parent	13	(50 145)	(57 574)	(50 145)	(57 574)
To non - controlling interests		(235)			
Net cash flows from financing activities		210 074	(57 156)	205 484	(58 591)
Net movement in cash and cash equivalents		254 446	(20 257)	85 161	1 635
Cash and cash equivalents at beginning of year		155 838	176 095	3 977	2 342
Cash and cash equivalents at end of year		410 284	155 838	89 138	3 977
Represented by:					
Bank overdrafts	27	(11 243)	(32 330)		(2 610)
Cash and cash equivalents	27	421 527	188 168	89 138	6 587
		410 284	155 838	89 138	3 977

Notes to the financial statements

For the year ended 30 April 2015

1 GENERAL INFORMATION

Sefalana Holding Company Limited is a Company incorporated in the Republic of Botswana and listed on the Botswana Stock Exchange. The addresses of its registered office and principal places of business are disclosed in the introduction to the annual report. The principal activities of the Company and its subsidiaries (“the Group”) are described in the Company profiles.

The consolidated Group and separate Company’s financial statements for the year ended 30 April 2015 were authorised for issue by the Board of Directors on 22 July 2015.

2 BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements are prepared under the historical cost convention except for the revaluation of certain non - current assets being land and buildings, items available for sale and investment property which are carried at fair value. The principal accounting policies applied in the preparation of these Group and Company financial statements are set out below. These policies have been consistently applied in the current and previous financial year, unless otherwise stated.

The consolidated financial statements are prepared in the Botswana Pula (BWP) which is also the Group’s functional currency.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and separate financial statements are disclosed in note 4.

(a) Standards, amendments to published standards and interpretations adopted by the Group and Company for the first time

Amendment to IAS 32 - Financial Instruments: Presentation  
The amendment to IAS 32 has been adopted by the Group for the first time in the current financial reporting period.

This amendment clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position and also the treatment of income tax relating to distributions and transaction costs.

This amendment is a change in presentation and has had a limited impact on the presentation of items in the financial statements.

Amendment to IAS 36 - Impairment of assets: Recoverable amount disclosures for non - financial assets  
The amendment to IAS 36 has been adopted by the Group for the first time in the current financial reporting period.

IAS 36 clarifies the disclosure requirements for recoverable amounts of impaired non - financial assets if the amount is based on fair value less cost of disposal. Certain disclosures are now only required when an impairment loss has been recorded or reversed in respect of an asset or a Cash Generating Units (CGU). Other disclosure requirements have been clarified and expanded, for assets or CGU’s where the recoverable amount has been determined on the basis of fair value less cost of disposal.

The adoption of this amendment did not result in any effect on the Group’s consolidated financial statements.

Amendment to IFRS 3 - Business Combinations  
This amendment to IFRS 3 has been adopted by the Group for the first time in the current financial reporting period.

The standard is amended to clarify that an obligation to pay contingent consideration which meets the definition of a financial instrument, is classified as a financial liability or as equity, on the basis of the definitions in IAS 32, ‘Financial instruments: Presentation’.

The adoption of this amendment did not result in any material effect on the Group’s consolidated financial statements.

Notes to the financial statements (continued)

For the year ended 30 April 2015

(b) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group and Company

Standard / Interpretation	Contents	Applicable for financial years beginning on / after
IAS 1 (amendment)	Presentation of financial statements	1 - Jan - 16
IAS 16 & 38 (amendment)	Property, Plant and Equipment & Intangible Assets (use of revaluation model)	1 - Jul - 14
IAS 16 & 38 (amendment)	Property, Plant and Equipment & Intangible Assets (depreciation and amortization)	1 - Jan - 16
IAS 19 (amendment)	Employee Benefits – Defined benefit plans	1 - Jul - 14
IAS 19 (amendment)	Employee Benefits – Estimation of the discount rate	1 - Jan - 16
IAS 24 (amendment)	Related Party Disclosures	1 - Jul - 14
IAS 27 (amendment)	Separate financial statements	1 - Jan - 16
IAS 34 (amendment)	Interim financial reporting	1 - Jan - 16
IFRS 5 (amendment)	Non - current assets held for sale and discontinued operations	1 - Jan - 16
IFRS 7 (amendment)	Financial Instruments: Disclosures	1 - Jan - 16
IFRS 8 (amendment)	Operational Segments	1 - Jul - 14
IFRS 9	Financial Instruments	1 - Jan - 18
IFRS 10 & IAS 28 (amendment)	Consolidated financial statements & Investments in associates and joint ventures	1 - Jan - 16
IFRS 11 (amendment)	Joint Arrangements	1 - Jan - 16
IFRS 15	Revenue from contracts with customers	1 - Jan - 17

IAS 1 - Presentation of Financial Statements

This amendment will be adopted by the Group for the first time in its financial reporting period ending 30 April 2017. The amendment clarifies guidance provided in IAS 1 on materiality and aggregation, the presentation of sub - totals, the structure of financial statements and the disclosure of accounting policies.

This amendment to the standard is not expected to have a significant effect on the financial statements of the Group.

IAS 16 - Property Plant and Equipment and IAS 38 Intangible Assets

Use of revaluation model

This amendment to IAS 16 and 38 will be adopted by the Group for the first time for its financial reporting period ending 30 April 2017. The amendment to the standard will be applied prospectively and comparatives will not be restated. Both standards are amended to clarify how the gross carrying amount and accumulated depreciation are treated where an entity uses the revaluation model. The carrying amount of the asset is restated to the revalued amount. The split between gross carrying amount and accumulated depreciation is treated in one of the following ways:

- either the gross carrying amount is restated in a manner consistent with the revaluation of the carrying amount, and the accumulated depreciation is adjusted to equal the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses; or
- the accumulated depreciation is eliminated against the gross carrying amount.

Depreciation and Amortization

This amendment will be adopted by the Group for the first time for its financial reporting period ending 30 April 2017. The amendment to the standard will be applied prospectively and comparatives will not be restated.

In this amendment, the IASB has clarified that the use of revenue based methods to calculate the depreciation of assets is not appropriate as revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It has also been clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

These amendments to the standard are not expected to have a significant effect on the financial statements of the Group.

IAS 19 - Employee Benefits

Defined Benefit Plans

This amendment will be adopted by the Group for the first time for its financial reporting period ending 30 April 2016.

This amendment to IAS 19 applies to contributions from employees or third parties to defined benefit plans. The objective of the amendment is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.



## Notes to the financial statements (continued)

For the year ended 30 April 2015

### Estimation of Discount Rate

This amendment will be adopted by the Group for the first time for its financial reporting period ending 30 April 2017.

The amendment to IAS 19 clarifies that the high - quality corporate bonds that an entity uses in estimating the discount rate for post - employment benefits should be denominated in the same currency as the benefits to be paid (thus, the depth of the market for high - quality corporate bonds should be assessed at currency level).

This amendment to the standard is not expected to have a significant effect on the financial statements of the Group.

### IAS 24 - Related Party Disclosures

This amendment to IAS 24 will be adopted by the Group for the first time for its financial reporting period ending 30 April 2016.

The standard is amended to include, as a related party, an entity that provides key management personnel services to the Group.

Key management personnel are those persons that have authority and responsibility for planning, directing, and controlling the activities of subsidiaries, directly or indirectly, including any directors of the Group.

This amendment to the standard is not expected to have a significant effect on the financial statements of the Group.

### IAS 27 - Separate financial statements

This amendment to IAS 27 will be adopted by the Group for the first time for its financial reporting period ending 30 April 2017. In this amendment the IASB has restored the option to use the equity method to account for investments in subsidiaries, joint ventures and associates in an entity's separate financial statements.

The amendments to the standard are not expected to have a material impact on the financial statements of the Group.

### IAS 34 - Interim Financial Reporting

This amendment to IAS 34 will be adopted by the Group for the first time for its financial reporting period ending 30 April 2017.

The amendment deals with the disclosure of information 'elsewhere in the interim financial report'. It states that the required interim disclosures must either be in the interim financial statements or incorporated by cross - reference between the interim financial statements and wherever they are included within the greater interim financial report.

The IASB specified that the other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. If users do not have access to the other information in this manner, then the interim financial report is incomplete.

This amendment to the standard is not expected to have a significant impact on the financial statements of the Group.

### IFRS 5 - Non - current assets held for sale and discontinued operations

This amendment to IFRS 5 will be adopted by the Group for the first time for its financial reporting period ending 30 April 2017.

This is an amendment to the changes in methods of disposal. Assets (or disposal groups) are generally disposed of either through sale or through distribution to owners. The amendment to IFRS 5 clarifies that changing from one of these disposal methods to the other should not be considered to be a new plan of disposal, rather it is a continuation of the original plan. There is therefore no interruption of the application of the requirements in IFRS 5.

The amendment also clarifies that changing the disposal method does not change the date of classification.

This amendment standard is not expected to have a significant effect on the financial statements of the Group.

### IFRS 7 - Financial Instruments; Disclosures

The amendments to IFRS 7 will be adopted by the Group for the first time for its financial reporting period ending 30 April 2017.

#### Applicability of the offsetting disclosures to condensed interim financial statements

The amendment clarifies that these IFRS 7 disclosures are not required in the condensed interim financial report. However, if the events or transactions are significant to an understanding of the changes in financial position and performance of the entity, these will need to be disclosed in conformance with IAS 34.

#### Servicing Contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and arrangement against the guidance for continuing involvement in order to assess whether the disclosures are required.

These amendments to the standard are not expected to have a material effect on the financial statements of the Group.

### IFRS 8 - Operational Segments

This amendment to IFRS 8 will be adopted by the Group for the first time for its financial reporting period ending 30 April 2016.

The standard has been amended to require disclosure of the judgements made by management in aggregating operating segments. This includes a description of the segments which have been aggregated and the economic indicators which have been assessed in determining that the aggregated segments share similar economic characteristics.

The standard is further amended to require a reconciliation of segment assets to the entity's assets when segment assets are reported.

This standard is not expected to have a material effect on the financial statements of the Group.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### IFRS 9 - (2009 & 2010) Financial Instruments

IFRS 9 will be adopted by the Group for the first time for its financial reporting period ending 30 April 2019. The standard forms part of the IASB's project to replace IAS 39. It will be applied retrospectively, subject to transitional provisions.

IFRS 9 addresses the classification and measurement of financial assets and replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. The standard also includes guidance on financial liabilities and derecognition of financial instruments. The accounting and presentation for financial liabilities and for derecognising financial instruments has been relocated from IAS 39, without change, except for financial liabilities that are designated at fair value through profit or loss.

This standard is not expected to have a material effect on the financial statements of the Group.

### IFRS 10 - Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures

#### Sale of contribution of assets

This amendment will be adopted by the Group for its financial period ending 30 April 2017. The amendment aims to eliminate the inconsistency between IFRS 10 and IAS 28. If non - monetary assets sold or contributed to an associate or joint venture constitute a 'business', then the full gain or loss will be recognised by the investor. A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

This amendment is not expected to have a material effect on the financial statements of the Group.

### IFRS 11 - Joint Arrangements

This amendment will be adopted by the Group for its financial period ending 30 April 2017.

The amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

This amendment is not expected to have a material effect on the financial statements of the Group.

### IFRS 15 - Revenue from contracts with customers

This amendment will be adopted by the Group for its financial period ending 30 April 2018.

This standard aims to be a single, comprehensive revenue recognition model for all contracts with customers to achieve greater consistency in the recognition and presentation of revenue. Revenue is recognised based on the satisfaction of performance obligations, which occurs when control of goods or services transfer to a customer.

This amendment is not expected to have a material effect on the financial statements of the Group.

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Consolidation

#### Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity, and has the ability to affect those returns through power over the entity. In assessing investment relationships, management has applied its judgement in the assessment of whether the commercial and economic relationship is tantamount to de - facto control. Based on the fact patterns and management's judgement, if such control exists, the relationship of control has been recognised in terms of IFRS 10 - Consolidated financial statements which builds on the existing principles of control set out in IAS 27 - Consolidated and separate financial statements. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de - consolidated from the date that control ceases. The Group uses the acquisition method of accounting to account for business combinations. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group.

#### Business Combinations

Acquisition - related costs are expensed as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3 Business Combinations are recognised at their fair values at acquisition date, except for non - current assets (or disposal group) that are classified as held for sale in accordance with IFRS 5 Non - current assets held for sale and discontinued operations, which are recognised at fair value less costs to sell. Contingent liabilities are only included in the identifiable assets and liabilities of the acquiree where there is a present obligation at acquisition date. On an acquisition - by - acquisition basis, the Group recognises any non - controlling interest in the acquiree either at fair value or at the non - controlling interest's proportionate share of the acquiree's net assets.

The Group assesses the classification of the acquiree's assets and liabilities and reclassifies them where the classification is inappropriate for Group purposes. This excludes lease agreements and insurance contracts, whose classification remains as per their inception date. Subsequent changes to the assets, liabilities or equity which arise as a result of the contingent consideration are not effected against goodwill, unless they are valid measurement period adjustments.

The excess of the consideration transferred, the amount of any non - controlling interest in the acquiree and the acquisition - date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non - controlling interest recognised and previously held interest measured is less

## Notes to the financial statements (continued)

For the year ended 30 April 2015

than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income. Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

Goodwill arising on acquisition of foreign entities is considered an asset of the foreign entity. In such cases the goodwill is translated to the functional currency of the Group at the end of each reporting period with the adjustment recognised in equity through to other comprehensive income.

Non - controlling interests are treated as equity participants and, therefore, all acquisitions of non - controlling interests or disposals by the Group of its non - controlling interests in subsidiary companies where control is maintained subsequent to the disposal are accounted for as equity transactions. Consequently, the difference between the purchase price and the book value of non - controlling interest purchased is recorded in equity. All profits and losses arising as a result of the disposal of interests in subsidiaries to minorities, where control is maintained subsequent to the disposal, are also recorded in equity.

All inter - company transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated and are considered an impairment indicator of the asset transferred.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

### Investment in subsidiaries

The Company accounts for its investment in subsidiaries at cost, which includes transaction costs, less provision for impairment. Cost is adjusted to reflect changes in consideration arising from contingent consideration amendments. Cost also includes direct attributable costs of investment.

Investments in subsidiaries are assessed for impairment when indicators of impairment are identified. Such impairment indicators include, but are not limited to, for example:

- Sustained deterioration in financial results of operations and / or financial position of the subsidiary;
- Changes in the operating environment of a subsidiary, including regulatory and economic changes, market entry by new competitors, etc.; and
- Inability of a subsidiary to obtain finance required to sustain or expand operations.

Where impairment indicators are identified, the recoverable value of the subsidiary is measured at the lower of realisable value through sale less costs to sell, and value in use. Value in use is the present value of future cash flows expected to be derived from the subsidiary.

Once an impairment loss has been recognised, the Group assesses at each year - end date whether there is an indication that the impairment loss previously recognised no longer exists or has decreased. If this is the case, the recoverable value of the subsidiary is re - measured and the impairment loss reversed or partially reversed as may be the case.

Where the recoverable value of a subsidiary is below the carrying amount, the carrying amount is reduced to the recoverable value through an impairment loss charged to the statement of comprehensive income.

The Group's financial statements include the financial statements of Sefalana Holding Company Limited and its subsidiaries as disclosed in note 23.

### Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognised at cost. Under this method, the Company's share of post - acquisition accumulated profits or losses of associated companies, which are generally determined from their latest audited financial statements, is included in the carrying value of the investments, and the annual profit attributable to the Group is recognised in the statement of comprehensive income. The Company's share of post - acquisition movement in reserves is recognised in other reserves. The cumulative post - acquisition movements are adjusted against the carrying amount of the investment. The carrying amount of such interests is reduced to recognise any potential impairment, other than a temporary decline, in the value of individual investments.

The Group's investment in associates includes goodwill (net of accumulated impairment loss) identified on acquisition. When the Group's share of losses in an associate equals or exceeds its interest in the associate, the Group does not recognise further losses unless the Group has incurred obligations, issued guarantees or made payments on behalf of the associate.

Where another Group entity transacts with an associate of the Group, unrealised profits and losses are eliminated to the extent of the Group's interest in the relevant associate, except where unrealised losses provide evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies of the Group. The Company accounts for investments in associates at cost, which includes transaction costs, less accumulated impairment losses.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. Where impairment indicators are identified, the recoverable value of the associate is measured at the higher of realisable value through sale less costs to sell, and value in use. Value in use is the present value of future cash flows expected to be derived from the associate.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

Where the recoverable value of an associate is below the carrying amount, the carrying amount is reduced to the recoverable value through an impairment loss charged to the statement of comprehensive income.

Once an impairment loss has been recognised, the Group assesses at each year - end date whether there is an indication that the impairment loss previously recognised no longer exists or has decreased. If this is the case, the recoverable value of the associate is re - measured and the impairment loss reversed or partially reversed as may be the case.

The Group's shareholding in associates is as disclosed in note 18.

### Joint Arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post - acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains or transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

### Foreign Currency Translation

#### Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Botswana Pula, which is the Company's functional and Group's presentation currency.

#### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year - end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or cost'.

All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'net foreign exchange gains'.

### Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the reporting date;
- (ii) Income and expenses for each statement of comprehensive income are translated at average exchange rates, unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions; and
- (iii) All resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are taken to shareholders' equity. When a foreign operation is sold, exchange differences that were recorded in equity are recognised in the statement of comprehensive income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### Property, Plant and Equipment

Land and buildings comprise mainly wholesale and retail outlets, offices and residential buildings. Land and buildings are shown at fair value, based on periodic valuations by external independent valuers, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset, and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Buildings capitalised under finance leases comprise retail outlets which were designed and developed specifically for the Group's use and are leased by the Group under long - term lease agreements. These buildings are accounted for at cost (being the present value of the minimum committed lease payments at inception of the respective lease contracts) less accumulated depreciation and accumulated impairment adjustments.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits



Notes to the financial statements (continued)

For the year ended 30 April 2015

associated with the item will flow to the Group and the cost of the item can be reliably measured. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the statement of comprehensive income.

Properties in the course of construction for production or supply of goods or services, or for administrative purposes, or for purposes not yet determined, are carried at cost less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in terms of the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Land is not depreciated. Depreciation on other assets is calculated using the straight - line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Freehold buildings :	50 years
Leasehold buildings	remaining period of lease
Buildings capitalised under finance leases	15 years, being initial lease period
Plant and machinery	4 to 20 years
Motor vehicles	4 to 6 years
Fixtures and equipment	4 to 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as other reserves in shareholders' equity. Decreases that offset previous increases in the carrying amount arising on revaluation of land and buildings are charged to other comprehensive income and debited against other reserves directly in equity.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Investment Property

Property that is held for long - term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs and borrowing costs. Borrowing costs are incurred for the purpose of acquiring, constructing or producing a qualifying investment property and are capitalised as part of its cost. Borrowing

costs are capitalised while acquisition or construction is actively underway and cease once the asset is substantially complete, or suspended if the development of the asset is suspended.

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods, such as recent prices on less active markets or discounted cash flow projections. Valuations are performed as of the financial position date on an appropriate valuation basis, which may include internal valuation models, valuations by independent professional valuers and comparison to recent market transactions and values. Where valuations from these sources indicate a range of reasonable fair values estimates, considered judgement is applied to determine the most reliable estimate of fair value. These valuations form the basis for the carrying amounts in the financial statements. Investment property that is being redeveloped for continuing use as investment property or for which the market has become less active continues to be measured at fair value.

Fair value measurement on property under construction is only applied if the fair value is considered to be reliably measurable. It may sometimes be difficult to determine reliably the fair value of the investment property under construction. In order to evaluate whether the fair value of an investment property under construction can be reliably determined, management considers the following factors, among others:

- The provisions of the construction contract
- The stage of completion
- Whether the project/property is standard (typical for the market) or non - standard
- The level of reliability of cash inflows after completion
- The development risk specific to the property
- Past experience with similar constructions
- Status of construction permits

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions. The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the property.

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Notes to the financial statements (continued)

For the year ended 30 April 2015

Changes in fair values are recognised in profit and loss for the period in which it arises. Investment properties are derecognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal.

Where the Group disposes of a property at fair value in an arm's length transaction, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit and loss for the period in which it arises within net gain from fair value adjustment on investment property.

If an investment property becomes owner - occupied, it is reclassified as property, plant and equipment. Its fair value at the date of reclassification becomes its cost for subsequent accounting purposes.

If an item of owner - occupied property becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is treated in the same way as a revaluation under IAS 16. Any resulting increase in the carrying amount of the property is recognised in the profit or loss to the extent that it reverses a previous impairment loss, with any remaining increase recognised in other comprehensive income and increases directly to revaluation surplus within equity. Any resulting decrease in the carrying amount of the property is initially charged in other comprehensive income against any previously recognised revaluation surplus, with any remaining decrease charged to statement of comprehensive income.

Where an investment property undergoes a change in use, evidenced by commencement of development with a view to sale, the property is transferred to inventories. A property's deemed cost for subsequent accounting as inventories is its fair value at the date of change in use.

Lease rights

Lease rights represent rights covered by contract or similar arrangement to occupy, lease out or otherwise utilise property. Separately acquired lease rights are shown at historical cost. Lease rights acquired in a business combination are recognised at fair value at the acquisition date. Where land rights are acquired directly through agreement with government, the Group records these at nominal amounts at the inception of the underlying lease / rental agreements or when such agreements are renewed.

Lease rights have a finite useful life based on the underlying contractual agreement assigning such rights to the consignee and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight - line method to allocate the cost of lease rights over their estimated useful lives based on contractual assignment terms.

Intangible Assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Groups interest in the net fair value of the net

identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non - controlling interest in the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash - generating units or groups of cash - generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their useful lives (three to five years) on a straight - line basis.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs include the employee costs incurred as a result of developing software and an appropriate portion of relevant overheads.

Impairment of Non - Financial Assets

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash - generating units). Non - financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### The Group as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income is recognised on a straight - line basis over the term of the relevant lease, and is included in revenue in the statement of comprehensive income. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight - line basis over the lease term.

### The Group as lessee

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the statement of comprehensive income, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight - line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight - line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

### Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets which are assets that necessarily take a substantial period of

time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of comprehensive income for the period in which they are incurred.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

### Employee Benefits

#### Pension obligations

The Sefalana Pension Fund converted from a defined benefit plan to a defined contribution plan during 2004. Upon this conversion a portion of the surplus of Fund assets over the Fund's liability to members was distributed into an Employer Reserve. This was available to be utilised solely for employer contributions into the members' pension credits in lieu of cash contributions, for the approximately 60 members in the Fund at that time. In accordance with the International Financial Reporting Standard, IAS 19 (Employee Benefits) and IFRIC 14 (IAS 19 - the limit on a defined benefit asset, minimum funding requirements and their interaction), the participating employers of the Sefalana Pension Fund and the amalgamated Sefalana Group Staff Pension Fund are required to recognize the fair value of the Employer Reserve balance as an asset in its own financial statements. The fair value of the plan asset represents the cumulative sum total of the members' credits at the reporting date. The movement on the plan assets during the year represents the utilisation of part of the Employer Reserve and is included within staff costs.

#### Gratuities and severance plans

The Group does not provide pension benefits for all its employees, but operates a gratuity scheme for expatriates in terms of employment contracts, and a severance benefit scheme for citizens in terms of section 28 of the Botswana Employment Act. Severance pay is not considered to be a retirement benefit plan as the benefits are payable on completion of each 60 month period of continuous employment, at the option of the employee. The expected gratuity and severance benefit liability is provided in full by way of a provision.

#### Profit - sharing and bonus plans

The Group recognises a liability and an expense for staff bonuses and profit - sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

#### Current and Deferred Income Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of

## Notes to the financial statements (continued)

For the year ended 30 April 2015

comprehensive income, except to the extent it relates to items recognised directly in equity. In this case, tax is also recognised in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group's subsidiaries generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided for in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying values for financial reporting purposes. However, if the deferred income taxes arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Deferred income tax assets are recognised for loss carry - forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates and joint ventures, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Withholding tax of 7.5% is payable on the gross value of dividends in accordance with the Botswana Income Tax Act.

### Inventories

Inventories comprising fast moving consumer goods for resale are valued at the lower of cost and net realisable value. Cost on these goods is determined on the weighted average basis and is the net of the invoice price, insurance, freight, customs duties, trade discounts, rebates and settlement discounts.

Inventories comprising vehicles and equipment for resale are also stated at the lower of cost and net realisable value. Costs, including an appropriate portion of fixed and variable overhead expenses, are assigned to inventories held by the method most appropriate to the particular class of inventory, with the majority being valued on the first - in first - out basis.

Work in progress arising from rendering of services of vehicles and equipment is valued with costs of materials used and excludes labour or overhead components.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to complete the sale.

### Financial Assets

#### Classification

The Group only has financial assets that are classified under the loans and receivables category. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non - derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the reporting date. These are classified as non - current assets. The Group's loans and receivables comprise 'trade and other receivables' other than prepayments, 'amounts due from related parties' and 'cash and cash equivalents' in the statement of financial position.

#### Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade - date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Loans and receivables are carried at amortised cost using the effective interest method.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available for sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. Translation differences relating to changes in amortised cost are recognised in profit or loss, and other changes in carrying amounts are recognised in other comprehensive income. Translation differences on non - monetary securities are recognised in other comprehensive income.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity - specific inputs.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a Group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. Impairment testing of trade receivables is described in note 25.



## Notes to the financial statements (continued)

For the year ended 30 April 2015

### De - recognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

### Trade Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the customer, probability that the customer will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of comprehensive income within 'selling and marketing costs'. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'administration expenses' in the statement of comprehensive income.

### Cash and Cash Equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short - term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

### Non - current assets held for sale and disposal groups

Non - current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non current assets held for sale (or disposal group) are measured at the lower of its carrying amount and fair value less costs to sell. A non - current asset is not depreciated (or amortised) while it is classified as held for sale, or while it is part of a disposal group classified as held for sale.

Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale are recognised in profit or loss.

### Stated Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Financial Liabilities

#### Classification

The Group only has financial liabilities that are classified as 'financial liabilities at amortised cost'.

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

### De - recognition of financial liabilities

The Group de - recognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

### Trade Payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that the Group will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the receivable can be measured reliably. Provisions are measured at the Directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to the present value where the effect is material.

### Onerous Contracts

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

### Warranties

Provisions for warranty costs are recognised at the date of the sale of the relevant products, at the Directors' best estimate of the expenditure required to settle the Group's obligation.

### Revenue Recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value - added tax, returns, rebates and discounts and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

### Sale of goods - Merchandise

Merchandise sales are recognised upon delivery of products and customer acceptance. Payment is generally received via cash, debit card, credit card or cheque, or through charge to a line of credit granted to the customer. Related card transaction costs are recognised in the statement of comprehensive income as other expense.

### Sales of goods - Others

Revenue from the sale of other goods is recognised when the following conditions are satisfied:

- The Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and

- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

### Sales of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group;
- The stage of completion of the transaction at the reporting date can be measured reliably; and
- The costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

### Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

### Cost of sales

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write down or loss occurs. The amount of any reversal of any write down of inventories, arising from an increase in net realisable value, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The related cost of providing services recognised as revenue in the current period is included in cost of sales. Contract costs comprise:

- Costs that relate directly to the specific contract;
- Costs that are attributable to contract activity in general and can be allocated to the contract; and
- Such other costs as are specifically chargeable to the customer under the terms of the contract.

### Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision - maker. The chief operating decision - maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions. The costs of shared services are accounted for in a separate ("unallocated") segment. Transactions between segments are generally accounted for in accordance with Group policies as if the segment were a stand - alone business with intra - segment revenue being eliminated through a separate adjustment to revenue. The Group's areas of operations were limited to the Republic of Botswana, The Republic of Namibia and the Republic of Zambia during the reporting periods.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing the annual financial statements and applying the Group's accounting policies, the entity has made certain key judgements and estimates in order to present balances and amounts in these financial statements. The following is a summary of those key judgements and key sources of estimation uncertainty at the reporting date, which has the most significant effect on the carrying amounts of assets and liabilities included in the financial statements:

Fair value of land and buildings and investment properties

The Group periodically commissions an external expert to value its property portfolio. The latest full scope evaluation was carried out at 30 April 2015. Resulting fair value gains and losses have been recognised in the statement of comprehensive income. Market values for developed property have been determined based on rental yields. A capitalisation factor has been applied to each property depending on its location and condition. Capitalisation rates applied in the recent valuation range from 10% to 30%. A 1% increase in the capitalisation rate would result in a P1.8 million reduction in overall portfolio value. A 1% decrease in capitalisation rate would result in a P1.8 million increase in overall portfolio value. Undeveloped land has been valued based on recent market data on similar properties transacted on an arm's length basis.

Impairment loss on receivables

The Group reviews its receivables to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in profit or loss, the Group companies make judgements as to whether there is any observable data indicating that there is a measurable decrease in estimated cash flows from a portfolio of receivables. Management uses estimates based on historical loss experience of assets. The assumptions used for estimating the amount and timing of cash flows are reviewed regularly to reduce any difference between loss estimates and actual loss experience.

Impairment of goodwill

The Group tests annually whether goodwill (as disclosed in note 16) has suffered any impairment, in accordance with its accounting policy on goodwill. The recoverable amounts of cash - generating units have been determined by the directors based on forecast pre - tax free cash flows of each cash - generating unit. These calculations require the use of estimates, the most significant of which are assumptions of a growth rate and discount rates (refer note 16).

The impairment calculations performed by the Group at the current year - end indicate significant headroom between the value in use attributed to cash generating units and the carrying value of the goodwill allocated to such units.

Residual values and useful lives

Residual values and useful lives of property, plant and equipment are based on current estimates of the values of these assets at the end of their useful lives.

Provision for shrinkage

The provision for shrinkage is based on the historical results of inventory counts.

Provision for warranties

One of the subsidiary companies gives a warranty on vehicles sold by it; most of the warranty costs are met by the initial suppliers of these vehicles, but there is an element of cost that will be borne by the Company. Based on the directors' knowledge of the industry and previous practices a provision has been made to account for future warranty costs on vehicles sold.

Allowance for slow moving, damaged and obsolete inventory

Management have made estimates of the selling price and direct cost to sell on certain inventory items, in the calculation of allowance for inventory to write inventory down to the lower of cost or net realisable value.

Expected manner of realisation for deferred tax

Deferred tax is provided for on the fair value adjustments of investment properties based on the expected manner of recovery, i.e. sale or use. This manner of recovery affects the rate used to determine the deferred tax liability.

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.



## Notes to the financial statements (continued)

For the year ended 30 April 2015

	GROUP	
	2015	2014
	P'000	P'000
<b>5 REVENUE</b>		
An analysis of the Group's revenue is as follows:		
Revenue from trading and manufacturing	3 449 850	2 356 642
Property rental income	14 110	11 824
	<b>3 463 960</b>	<b>2 368 466</b>
Property rental income comprises:		
Contractual rental income	14 316	12 124
Straight - line lease rental adjustment	(206)	(300)
	14 110	11 824

## 6 SEGMENTAL ANALYSIS

The Company's Board of Directors acts as the Chief Operating Decision Maker of the Group and it assesses the performance of the operating units based on the measure of earnings before interest, tax and amortisation and also on profit before tax. These measurement bases assess performance on the bases of recognition and measurement which are consistent with the accounting policies of the Group. Performance is monitored based on business and geographical segments.

The Group's operating businesses are organised and managed separately according to the nature of products and services offered by each segment representing a strategic business unit. The Group is organised into four principal business areas and these make up four reportable operating segments as follows:

### Trading - consumer goods:

Wholesale and retail distribution of fast moving consumer goods.

The Group acquired the entire business of Metro Cash and Carry, Namibia, during the year and the results of the Namibian operations are presented as a separate geographical segment.

### Trading - others:

Sale of automotive products, equipment for construction and agricultural related sectors including after sale services.

### Manufacturing:

Milling, production and sale of sorghum, soya and maize based extruded food products.

### Property:

Holding of commercial and industrial properties for own use as well as for generating income from lease arrangements with external tenants, along with capital appreciation in value.

With the exception of Trading - others and Manufacturing segments, revenue is derived from a very broad and diversified customer base, with no dependence on any significant customer.

Revenue from Trading - others and Manufacturing operating segments is derived primarily from various Government departments following the award of tenders.

The Group's most significant operations are in Botswana. In addition, through its subsidiary Sefalana Cash and Carry (Namibia) (Proprietary) Limited, the Group engages in the wholesale and retail distribution of fast moving consumer goods in Namibia. Further, Sefalana Properties Limited Zambia, a subsidiary of the Company, has operating leases with third parties to let out specific areas of the property it owns in Lusaka, Zambia. The operational results and financial position of the Zambian and Namibian businesses are reported as separate geographical segments.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

## 6 SEGMENTAL ANALYSIS (continued)

Segment results	Botswana				Zambia	Namibia	GROUP	
	Trading consumer goods	Trading others	Manufacturing	Property	Property	Trading consumer goods	Inter - segment or unallocated	Consolidated
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
2015								
Revenue	2 234 917	246 622	184 238	24 360	8 795	807 544	(42 516)	3 463 960
Cost of sales	(2 103 676)	(210 170)	(139 429)			(771 198)	43 165	(3 181 308)
Gross profit	131 241	36 452	44 809	24 360	8 795	36 346	649	282 652
Other income and gains	102	10 269	2 059	40 126	11 022	4 266	(38 151)	29 693
Administrative expenses	(45 177)	(29 128)	(15 330)	(27 179)	(1 200)	(14 694)	5 658	(127 050)
<b>Earnings before interest, tax and amortisation (EBITA)</b>	<b>86 166</b>	<b>17 593</b>	<b>31 538</b>	<b>37 307</b>	<b>18 617</b>	<b>25 918</b>	<b>(31 844)</b>	<b>185 295</b>
Amortisation	(925)					(3 949)		(4 874)
Investment income	6 212	2 250	1 139	2 329		2 161	3 577	17 668
Finance costs	(1 381)	(48)	(2 203)	(2 607)	(939)	(13 443)	13 095	(7 526)
Profit before share of results from associate and joint venture	90 072	19 795	30 474	37 029	17 678	10 687	(15 172)	190 563
Share of results from associate							1 131	1 131
Share of results from joint venture							(548)	(548)
<b>Profit before tax</b>	<b>90 072</b>	<b>19 795</b>	<b>30 474</b>	<b>37 029</b>	<b>17 678</b>	<b>10 687</b>	<b>(14 589)</b>	<b>191 146</b>
Total segment results above include:								
Revenue from external customers	2 234 781	243 122	164 403	5 315	8 795	807 544		3 463 960
Depreciation and amortisation	15 978	1 085	2 092	8 862		5 319		33 336
Staff costs	102 496	11 750	13 126	22 303	537	24 462	970	175 644
<b>Segment assets and liabilities</b>	<b>Botswana</b>				<b>Zambia</b>	<b>Namibia</b>	<b>GROUP</b>	
2015								
Assets	504 448	162 027	143 021	433 328	76 065	322 209	78 260	1 719 358
Liabilities	(263 159)	(72 490)	(33 685)	(142 409)	(6 385)	(268 240)	165 529	(620 839)
Inter - group balances	10 823		(19 014)	20 256	(4 460)	(145 337)	137 732	
Capital expenditure during the year	19 079	911	13 191	28 128		8 286		69 595

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 6 SEGMENTAL ANALYSIS (continued)

Segment results	Botswana				Zambia	Namibia	GROUP	
	Trading consumer goods	Trading others	Manufacturing	Property	Property	Trading consumer goods	Inter - segment or unallocated	Consolidated
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
<b>2014</b>								
Revenue	2 103 541	121 832	152 560	23 891	7 125		(40 483)	2 368 466
Cost of sales	(1 962 769)	(98 075)	(119 379)				41 023	(2 139 200)
Gross profit	140 772	23 757	33 181	23 891	7 125		540	229 266
Other income and gains	80	10 553	409	48 508	14 620		(38 508)	35 662
Administrative expenses	(51 086)	(25 576)	(11 537)	(18 670)	(1 974)		3 095	(105 748)
<b>Earnings before interest, tax and amortisation (EBITA)</b>	<b>89 766</b>	<b>8 734</b>	<b>22 053</b>	<b>53 729</b>	<b>19 771</b>		<b>(34 873)</b>	<b>159 180</b>
Amortisation	(1 484)							(1 484)
Investment income	3 221	1 551	1 293	606			(1 295)	5 376
Finance costs	(1 239)	(13)	(3 077)	(2 089)	(2 098)		1 133	(7 383)
Profit before share of results from associate	90 264	10 272	20 269	52 246	17 673		(35 035)	155 689
Share of results from associate							35	35
<b>Profit before tax</b>	<b>90 264</b>	<b>10 272</b>	<b>20 269</b>	<b>52 246</b>	<b>17 673</b>		<b>(35 000)</b>	<b>155 724</b>
Total segment results above include:								
Revenue from external customers	2 102 966	121 832	131 844	4 699	7 125			2 368 466
Depreciation and amortisation	14 807	990	1 845	7 864				25 506
Staff costs	102 481	12 242	10 873	14 619	642		970	141 827
Segment assets and liabilities	Botswana				Zambia	Namibia	GROUP	
	Trading consumer goods	Trading others	Manufacturing	Property	Property	Trading consumer goods	Inter - segment or unallocated	Consolidated
	P'000	P'000	P'000	P'000	P'000	P'000	P'000	P'000
<b>2014</b>								
Assets	496 696	103 783	166 733	388 831	68 535		(40 884)	1 183 694
Liabilities	(269 862)	(29 520)	(84 797)	(129 005)	(12 274)		63 447	(462 011)
Inter - group balances	(3 300)	24 398	(20 458)	7 927	(9 105)		538	
Capital expenditure during the year	21 204	834	4 838	11 678				38 554

## Notes to the financial statements (continued)

For the year ended 30 April 2015

	GROUP		COMPANY	
	2015	2014	2015	2014
	P'000	P'000	P'000	P'000
<b>7 INVESTMENT INCOME</b>				
Interest income from:				
Bank deposits	17 259	5 051	5 389	
Related party loans		235	14 116	
Other loans and receivables	409	90		
Dividends from subsidiaries			54 000	21 622
	<b>17 668</b>	<b>5 376</b>	<b>73 505</b>	<b>21 622</b>
<b>8 OTHER INCOME AND GAINS</b>				
Gain on disposal of property, plant and equipment	230	347		
Gain on revaluation of investment property	13 975	26 778		
Net effect of straight - line rental adjustment	206	300		
Net foreign exchange gains	6 472	5 719		
Gain on disposal of subsidiary company	1 884			
Loss on conversion of subsidiary into associate		(396)		
Rent, rebates and claims	6 267	1 827		767
Other	659	1 087		97
	<b>29 693</b>	<b>35 662</b>		<b>864</b>
<b>9 FINANCE COSTS</b>				
Interest paid on:				
Bank overdrafts and loans	5 430	3 921	1 882	(68)
Finance lease obligations	709	1 154		
Related party loans			946	226
Other	1 387	2 308	5	5
	<b>7 526</b>	<b>7 383</b>	<b>2 833</b>	<b>163</b>

The weighted average cost of borrowing for the Group is 5.39% (2014: 5.45%). Other finance costs mainly relate to foreign exchange losses arising on the US Dollar term loan.



## Notes to the financial statements (continued)

For the year ended 30 April 2015

	GROUP		COMPANY	
	2015	2014	2015	2014
	P'000	P'000	P'000	P'000
<b>10 INCOME TAX EXPENSE</b>				
<b>Current tax</b>				
Basic Company Tax	36 383	33 726	2 474	
Withholding tax on dividends	4 096	1 622	4 050	1 622
Adjustment in respect of prior years	(767)		(767)	
<b>Total current tax</b>	<b>39 712</b>	<b>35 348</b>	<b>5 757</b>	<b>1 622</b>
<b>Deferred tax</b>				
Origination and reversal of temporary differences	18	(5 254)		
Adjustment in respect of prior years	(1 054)			
<b>Total deferred tax</b>	<b>(1 036)</b>	<b>(5 254)</b>		
<b>Income tax expense</b>	<b>38 676</b>	<b>30 094</b>	<b>5 757</b>	<b>1 622</b>

The Company and Group has used the single corporate tax rate of 22% for calculating the current and deferred taxes at the current and previous financial year end for the non - manufacturing entities in Botswana. For manufacturing entities, the current and deferred taxation rate applied is 15%. The tax rate in Zambia was at 35% until 31 December 2013 and was replaced with a final tax of 10% from 1 January 2014. The Namibian corporate tax rate of 33% has been applied for our operations in Namibia.

The charge for the year can be reconciled to the accounting profit as follows:

	GROUP		COMPANY	
	2015	2014	2015	2014
	P'000	P'000	P'000	P'000
<b>Profit before tax</b>	<b>191 146</b>	<b>155 724</b>	<b>68 518</b>	<b>20 960</b>
Tax calculated at current tax rates - 22% (2014: 22%)	42 052	34 259	15 074	4 611
Effect of differential tax rates	(2 182)	(3 594)	(7 830)	(3 135)
Expenses not deductible for tax purposes	494	346	666	146
Adjustment in respect of prior years	(1 821)		(767)	
Final tax on dividend income	4 096	1 622		
Tax effect of income not subject to tax	(3 963)	(2 539)	(1 386)	
<b>Income tax expense per statement of comprehensive income</b>	<b>38 676</b>	<b>30 094</b>	<b>5 757</b>	<b>1 622</b>
<b>Current tax assets and liabilities</b>				
Current tax assets:				
Income tax refund receivable	4 127	559	2 301	
Current tax liabilities:				
Income tax payable	7 371	13 085	2 474	767

## Notes to the financial statements (continued)

For the year ended 30 April 2015

		GROUP		COMPANY	
	Note	2015	2014	2015	2014
		P'000	P'000	P'000	P'000
<b>11 PROFIT FOR THE YEAR</b>					
Profit for the year has been arrived at after charging / (crediting):					
Auditors' remuneration		2 982	2 752	10	5
Amortisation of intangible assets	16	4 133	745		
Amortisation of leasehold rights	17	741	739		
Cost of inventories expensed		3 129 627	2 105 613		
Depreciation of property, plant and equipment	14	28 462	24 022		
Impairment of property, plant and equipment	14	569			
Directors and employee benefits		175 644	138 521	970	970
Gain on disposal of subsidiary	23	(1 884)			
Loss on conversion of subsidiary into associate	8		396		
(Reversal of impairment) / impairment of receivables	25	(1 744)	2 589		
Operating lease costs:					
- properties		35 838	18 073		
- motor vehicles		557	114		
Movement in Pension Fund Employer Reserve	40	5 853	3 306		
Gain on revaluation of investment property	15	(13 975)	(26 778)		
Gain on disposal of property, plant and equipment	8	(230)	(347)		

## 12 DIRECTORS EMOLUMENTS

Emoluments of the Directors of Sefalana Holding Company Limited from the Company and its subsidiaries:

Fees for services as Directors	970	970	970	970
Managerial services	13 925	11 230		
<b>Total</b>	<b>14 895</b>	<b>12 200</b>	<b>970</b>	<b>970</b>
Paid by subsidiary companies	13 925	11 230		
Paid by the Company	970	970	970	970
<b>Total</b>	<b>14 895</b>	<b>12 200</b>	<b>970</b>	<b>970</b>

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 13 EARNINGS AND COMPREHENSIVE INCOME PER SHARE

	2015	2014
<b>Profit attributable to owners of the parent (P'000)</b>	<b>142 300</b>	<b>118 165</b>
<b>Total comprehensive income attributable to owners of the parent (P'000)</b>	<b>162 198</b>	<b>142 518</b>
<b>Shares in issue at end of year (number)</b>	<b>222 868 186</b>	<b>185 723 463</b>
Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.		
Total comprehensive income per share is calculated by dividing the total comprehensive income attributable to owners of the parent by the weighted average number of ordinary shares in issue during the year.		
Shares in issue at beginning of year (number)	185 723 463	185 723 463
Additional shares from Rights Issue (number)	37 144 723	
Shares in issue at end of the year (number)	222 868 186	185 723 463
Weighted average shares in issue during the year after considering the bonus element on Rights Issue (number)	217 625 286	188 074 395
<b>Basic EPS as originally reported (thebe)</b>	<b>n/a</b>	<b>63.62</b>
<b>Basic earnings per share (thebe) (restated)*</b>	<b>65.39</b>	<b>62.83*</b>
<b>Total Comprehensive income per share as originally reported (thebe)</b>	<b>n/a</b>	<b>76.74</b>
<b>Total comprehensive income per share (thebe) (restated)*</b>	<b>74.53</b>	<b>75.78*</b>

\* Weighted average shares in issue for the 2013/14 financial year was restated from 185 723 463 shares to 188 074 395 as per IAS 33, taking into account the bonus element on the Rights Issue.

	2015	2014
	P'000	P'000
<b>DIVIDENDS</b>		
<b>Declared and paid during the year:</b>		
Interim 2015: 10 thebe per share and Final 2014: 12.5 thebe per share; (Interim 2014: 10 thebe per share and final 2013: 21 thebe per share)	50 145	57 574
<b>Proposed:</b>		
Final 2015: 20 thebe per share; (Final 2014: 12.5 thebe per share)	44 574	27 859

The final dividend of 20 thebe was paid on 4 September 2015 and was based on the total number of share in issue on that date.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 14 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings	Buildings capitalised under finance lease	Plant, fixtures and equipment	Motor vehicles	Total
	P'000	P'000	P'000	P'000	P'000
<b>GROUP</b>					
<b>Cost or valuation</b>					
At 30 April 2013	250 114	12 508	117 963	17 131	397 716
Additions	11 793		20 206	6 284	38 283
Gain on revaluation	36 042				36 042
Reversal of depreciation on revaluation	(8 818)				(8 818)
Business combination - acquisition	3 175		2 336		5 511
Derecognition of subsidiary into associate			(8 231)	(1 339)	(9 570)
Reclassification to investment property	(17 700)				(17 700)
Disposals			(19)	(547)	(566)
<b>At 30 April 2014</b>	<b>274 606</b>	<b>12 508</b>	<b>132 255</b>	<b>21 529</b>	<b>440 898</b>
At 30 April 2014	274 606	12 508	132 255	21 529	440 898
Additions	29 556		34 280	1 004	64 840
Gain on revaluation	29 207				29 207
Reversal of depreciation on revaluation	(10 254)				(10 254)
Business combination - acquisition			5 550	673	6 223
Currency translation			(128)		(128)
Disposal of subsidiary			(257)	(461)	(718)
Disposals		(1 500)	(454)	(467)	(2 421)
<b>At 30 April 2015</b>	<b>323 115</b>	<b>11 008</b>	<b>171 246</b>	<b>22 278</b>	<b>527 647</b>
<b>Depreciation and impairment</b>					
At 30 April 2013		10 371	53 244	11 132	74 747
Depreciation charge for the year	8 818	907	11 929	2 368	24 022
Disposals			(16)	(421)	(437)
Business combination			(4 650)	(648)	(5 298)
Elimination of depreciation previously charged	(8 818)				(8 818)
<b>At 30 April 2014</b>		<b>11 278</b>	<b>60 507</b>	<b>12 431</b>	<b>84 216</b>
At 30 April 2014		11 278	60 507	12 431	84 216
Depreciation charge for the year	10 254	869	14 891	2 448	28 462
Disposals		(1 500)	(30)	(467)	(1 997)
Impairment loss			569		569
Disposal of subsidiary			(156)	(310)	(466)
Currency translation			(6)		(6)
Elimination of depreciation previously charged	(10 254)				(10 254)
<b>At 30 April 2015</b>		<b>10 647</b>	<b>75 775</b>	<b>14 102</b>	<b>100 524</b>
<b>Carrying amount</b>					
<b>At 30 April 2015</b>	<b>323 115</b>	<b>361</b>	<b>95 471</b>	<b>8 176</b>	<b>427 123</b>
<b>At 30 April 2014</b>	<b>274 606</b>	<b>1 230</b>	<b>71 748</b>	<b>9 098</b>	<b>356 682</b>



## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 14 PROPERTY, PLANT AND EQUIPMENT (continued)

#### Fair value of land and buildings

The following table analyses the non - financial assets carried at fair value, by revaluation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (Level 3)

#### Fair value measurements at 30 April 2015 arising

	Level 1	Level 2	Level 3
	P'000	P'000	P'000

#### Recurring fair value measurements

Office buildings - Botswana			29 000
Retail sale outlets - Botswana			266 115
Manufacturing sites - Botswana			28 000
			323 115

There were no transfers between levels during the year.

#### Fair value measurements at 30 April 2014 arising

	P'000	P'000	P'000
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#### Recurring fair value measurements

Office buildings - Botswana			27 900
Retail sale outlets - Botswana			223 006
Manufacturing sites - Botswana			23 700
			274 606

There were no transfers between levels during the year.

#### Valuation process

An independent valuation of the Group's land and buildings was performed by a professional third party valuer at 30 April 2015. The valuation conforms to International Valuation Standards and was based on recent market data on similar properties transacted on an arm's length basis. These valuations were performed using the Income Capitalisation Method (discounted cash flow method) which is based on individual property capitalisation rates.

#### Fair value measurements using significant un - observable inputs (Level 3)

	2015	2014
	P'000	P'000
Opening balance at 1 May	274 606	250 114
Additions	29 556	11 793
Reclassification / transfers		(17 700)
Business combination - acquisition		3 175
Gain on revaluation recognised in other comprehensive income	29 207	36 042
Reversal of depreciation on revaluation	(10 254)	(8 818)
<b>Closing balance at 30 April</b>	<b>323 115</b>	<b>274 606</b>

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 14 PROPERTY, PLANT AND EQUIPMENT (continued)

2015

#### Fair value measurement using significant un - observable inputs (level 3)

Description	Fair value at 30 April 2015 P'000	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Land and buildings	323 115	Income capitalisation	P14 per sqm to P59 per sqm (weighted average of P33 per sqm) and capitalisation rate range from 11% to 28% with a weighted average of 13%	The higher the price per square meter, the higher the value of the property

A 10 basis point increase / decrease in capitalisation rate on each property would decrease / increase the overall valuation by P1.7 million. Revaluation surpluses net of deferred tax relating to property, plant and equipment is credited to other reserves in shareholder's equity and are included in the Statement of Comprehensive Income.

Depreciation expenses of P14.4 million (2014: P12.9 million) and P14.1 million (2014: P11.1 million) are charged to "cost of sales" and "administrative expenses" respectively in the Statement of Comprehensive Income.

2014

#### Fair value measurement using significant un - observable inputs (level 3)

Description	Fair value at 30 April 2014 P'000	Valuation technique	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Land and buildings	274 606	Income capitalisation	P13 per sqm to P83 per sqm (weighted average of P30 per sqm) and capitalisation rate range from 10% to 25% with a weighted average of 13%	The higher the price per square meter, the higher the value of the property

A 10 basis point increase / decrease in capitalisation rate on each property would decrease / increase the overall valuation by P2.3 million. Revaluation surpluses net of deferred tax relating to property, plant and equipment is credited to other reserves in shareholder's equity and are included in other comprehensive income.

Depreciation expenses of P12.9 million and P11.1 million are charged to "cost of sales" and "administrative expenses" respectively in the Statement of Comprehensive Income.

If land and buildings were stated on the historical cost basis the amounts would be as follows:

	2015	2014
	P'000	P'000
Cost	80 191	50 635
Accumulated depreciation	(13 898)	(12 632)
<b>Net carrying amount</b>	<b>66 293</b>	<b>38 003</b>

## Notes to the financial statements (continued)

For the year ended 30 April 2015

	2015	2014
	P'000	P'000
<b>15 INVESTMENT PROPERTY</b>		
<b>GROUP</b>		
Freehold and leasehold land and buildings at fair value	177 810	172 403
Straight - line lease rental adjustment	206	300
Currency translation differences	(1 537)	(1 538)
<b>Balance at end of year</b>	<b>176 479</b>	<b>171 165</b>
<b>Reconciliation of fair value:</b>		
Opening fair value	171 165	132 281
Additions during the year	2 272	
Transfer from property, plant and equipment		17 700
Asset classified as held for sale	(7 164)	
Currency translation differences	(3 975)	(5 894)
Gain on revaluation of properties	13 975	26 778
Straight - line lease rental adjustment	206	300
<b>Closing fair value</b>	<b>176 479</b>	<b>171 165</b>

### Asset classified as held for sale

In January 2015, Plot 64260, Broadhurst was marketed for sale. The Directors expect the sale of this property to be completed within 12 months of the reporting date. This asset has therefore been classified as held for sale and is valued based on the Directors' best estimate of its value at the reporting date, supported by an external third party valuation carried out on all the Group's properties as detailed below.

### Fair value of land and buildings

The following table analyses the investment property carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability either directly or indirectly (Level 2)
- Inputs for the asset or liability that are not based on observable market data (Level 3)

Fair value measurements at 30 April 2015			
	Level 1	Level 2	Level 3
	P'000	P'000	P'000
<b>Recurring fair value measurements</b>			
Office buildings - Botswana			76 526
Office buildings - Zambia			73 282
Retail sale outlets - Botswana			2 900
Manufacturing site - Botswana			23 771
			176 479

There were no transfers between levels during the year.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 15 INVESTMENT PROPERTY (continued)

Fair value measurements at 30 April 2014			
	Level 1	Level 2	Level 3
	P'000	P'000	P'000
<b>Recurring fair value measurements</b>			
Office buildings - Botswana			81 630
Office buildings - Zambia			66 235
Retail sale outlets - Botswana			2 800
Manufacturing site - Botswana			20 500
			171 165

There were no transfers between levels during the year.

### Fair value measurements using significant unobservable inputs (level 3)

2015	Botswana properties	Zambia property	Total
	P'000	P'000	P'000
Opening fair value at 1 May 2014	104 929	66 236	171 165
Additions	2 272		2 272
Asset classified as held for sale	(7 164)		(7 164)
Currency translation differences		(3 975)	(3 975)
Gain on revaluation of properties	2 953	11 022	13 975
Straight - line lease rental adjustment	206		206
<b>Closing balance at 30 April 2015</b>	<b>103 196</b>	<b>73 283</b>	<b>176 479</b>

### Fair value measurements using significant unobservable inputs (level 3)

2014	Botswana properties	Zambia property	Total
	P'000	P'000	P'000
Opening fair value at 1 May 2014	74 771	57 510	132 281
Transfer from property, plant and equipment	17 700		17 700
Currency translation differences		(5 894)	(5 894)
Gain on revaluation of properties	12 158	14 620	26 778
Straight - line lease rental adjustment	300		300
<b>Closing balance at 30 April 2014</b>	<b>104 929</b>	<b>66 236</b>	<b>171 165</b>



## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 15 INVESTMENT PROPERTY (continued)

#### Valuation process

The carrying value of investment properties in Botswana and Zambia have been determined by the Directors and supported by an independent valuation carried out at the year end (note 14).

#### Information about fair value measurements using significant unobservable inputs (level 3)

2015

Description	Fair value at 30 April 2015 P'000	Valuation technique	Range of un - observable inputs	Relationship of un - observable inputs to fair value
Land and buildings (Botswana)	103 196	Income capitalisation method	P23 per sqm to P89 per sqm (weighted average of P58 per sqm) and capitalisation factor range from 11% to 18% with a weighted average of 13%	The higher the price per square meter, the higher the value of the property
Land and buildings (Zambia)	73 282	Comparable market transactions	Market price per square metre	The higher the price per square meter of a comparable property, the higher the value of the property
Total	176 479			

A 10 basis point increase / decrease in capitalisation rate on each property would increase / decrease the overall valuation by P0.6 million. Revaluation surpluses relating to investment property in included in other income and gains (note 8).

#### Information about fair value measurements using significant unobservable inputs (level 3)

2015

Description	Fair value at 30 April 2014 (P'000)	Valuation technique	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Land and buildings (Botswana)	104 929	Income capitalisation method	P13 per sqm to P83 per sqm (weighted average of P30 per sqm) and capitalisation factor range from 10% to 25% with a weighted average of 13%	The higher the price per square, the higher the value of the property
Land and buildings (Zambia)	66 236	Comparable market transactions	N/A	N/A
Total	171 165			

	2015	2014
	P'000	P'000
<b>Contractual rental income from investment property</b>	<b>14 316</b>	<b>12 124</b>
<b>Expenses directly attributable to investment property</b>	<b>(588)</b>	<b>(918)</b>

Lease agreements exist for all let properties and range from 12 months to 10 years with options to renew. No contingent rentals are charged. Most leases include escalation clauses which approximate to expected inflation rates.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 16 INTANGIBLE ASSETS

	Goodwill	Computer software	Brand value	Customer contract	Total
	P'000	P'000	P'000	P'000	P'000
<b>GROUP</b>					
<b>Cost</b>					
At 30 April 2013	28 005	11 390			39 395
Additions		271			271
Business combination	3 740				3 740
At 30 April 2014	31 745	11 661			43 406
Additions		2 483			2 483
Currency translation	(113)	(3)			(116)
Business combination	14 346		95 655	4 454	114 455
<b>At 30 April 2015</b>	<b>45 978</b>	<b>14 141</b>	<b>95 655</b>	<b>4 454</b>	<b>160 228</b>
<b>Amortisation and impairment</b>					
At 30 April 2013	443	10 538			10 981
Charge during the year		745			745
At 30 April 2014	443	11 283			11 726
Charge during the year		573	3 188	372	4 133
<b>At 30 April 2015</b>	<b>443</b>	<b>11 856</b>	<b>3 188</b>	<b>372</b>	<b>15 859</b>
<b>Carrying amount</b>					
<b>At 30 April 2015</b>	<b>45 535</b>	<b>2 285</b>	<b>92 467</b>	<b>4 082</b>	<b>144 369</b>
At 30 April 2014	31 302	378			31 680

#### Brand value

Brand value arose on the acquisition of the trading business of Metro Cash and Carry Namibia in July 2014. This value will be amortised over 25 years on a straight - line basis. Its useful life will be reviewed at each reporting date.

#### Computer software rights

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. The useful lives of software are reviewed at each reporting date.

#### Customer contract

Arose from the longstanding contractual agreements in place with credit customers of Sefalana Cash and Carry (Namibia) (Proprietary) Limited.

#### Goodwill

The impairment calculations performed by the Directors at the year - end indicate significant headroom between the value in use attributed to cash generating units and the carrying value of the goodwill allocated to such units.

For the purpose of impairment testing, goodwill is attached to the following cash generating units.

	2015	2014
	P'000	P'000
Sefalana Cash and Carry Limited	21 375	21 375
Sefalana Cash and Carry (Namibia) (Proprietary) Limited	17 973	3 740
MF Holdings (Proprietary) Limited	3 794	3 794
Wholesale operations in South West Botswana	2 393	2 393
<b>Total</b>	<b>45 535</b>	<b>31 302</b>

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 16 INTANGIBLE ASSETS (continued)

The increase of goodwill in relation to Sefalana Cash and Carry (Namibia) (Proprietary) Limited of P14.3 million (net of foreign currency translation) arose from the Group's acquisition of the trading business of Metro Cash and Carry, Namibia (note 23).

Key assumptions used in the calculation of recoverable amounts are discount rates and growth rates as follows:

	2015				2014			
	Sefalana Cash and Carry Limited	Sefalana Cash and Carry (Namibia) (Proprietary) Limited	MF Holdings (Proprietary) Limited	Wholesale operations in South West Botswana	Sefalana Cash and Carry Limited	Sefalana Cash and Carry (Namibia) (Proprietary) Limited	MF Holdings (Proprietary) Limited	Wholesale operations in South West Botswana
Discount rates	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%	14.50%
Growth rates	3.00%	5.00%	5.00%	3.00%	3.00%	5.00%	5.00%	3.00%

The table below shows the amount that these assumptions are required to change individually in order for the estimated recoverable amount to equal its carrying amount.

	2015				2014			
	Sefalana Cash and Carry Limited	Sefalana Cash and Carry (Namibia) (Proprietary) Limited	MF Holdings (Proprietary) Limited	Wholesale operations in South West Botswana	Sefalana Cash and Carry Limited	Sefalana Cash and Carry (Namibia) (Proprietary) Limited	MF Holdings (Proprietary) Limited	Wholesale operations in South West Botswana
Discount rates	70.00%	27.50%	21.80%	70.00%	40.00%	40.00%	15.45%	40.00%
Growth rates	(7.80%)	2.50%	(2.00%)	(7.80%)	(12.00%)	0.10%	4.10%	(12.00%)

#### Analysis of amortisation of intangible assets

	2015	2014
	P'000	P'000
Computer software	573	745
Brand value	3 188	
Customer contract	372	
Leasehold rights (note 17)	741	739
<b>Total</b>	<b>4 874</b>	<b>1 484</b>

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 16 INTANGIBLE ASSETS (continued)

#### Business combination during the year

In performing the purchase price allocation with respect to the acquisition made during the year, the Group applied its judgment to determine the assets which are separately identifiable and recognisable, and on the basis of recognition and measurement.

These judgments are summarised as follows:

#### Accounting for the Investment by Sefalana Cash and Carry (Namibia) (Proprietary) Limited in Metro Cash and Carry, Namibia

Separately identifiable asset	Basis of recognition and measurement	Value assigned (P'000)
Fixed property	Not recognised as no fixed property was acquired. Properties are leased based on a market - related contract with the landlord, thus there was no fair value to be assigned to the lease contracts.	
Movable assets	Recognised based on a blended depreciated historical cost and depreciated replacement cost basis.	6 223
Net current assets	Assets recognised at the lower of cost or net realisable value. Liabilities recognised at fair value.	56 883
Customer relationships	The customers of the company are mainly credit customers with long standing contractual agreements in place. Although the company does not operate any customer loyalty program it does benefit from recurring business from its customer base. Accordingly, the value assigned to these relationships has been separately identified and recorded as customer relationships	4 454
Brand value	Present value of the additional expected net cash flow arising as a result of the Metro brand established and developed over a number of years.	95 655
Assembled workforce	Not significant, thus not separately valued.	

Fair value of net assets acquired before deferred tax adjustment	163 215
Deferred tax adjustment (deemed to be immaterial)	
Fair value of net assets acquired after deferred tax adjustment	163 215
Fair value of purchase consideration	177 561
Goodwill recognised	14 346

The business combination during the previous year related to the acquisition of a store in Katimo Mulilo Namibia. The fair value of the asset acquired amounted to P2.2 million. The fair value of the purchase consideration was 6.0 million. Goodwill amounted to P3.8 million.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 17 LEASEHOLD RIGHTS

GROUP	
	P'000
<b>Cost</b>	
At 30 April 2013, 2014 and 2015	4 444
<b>At 30 April 2015</b>	<b>4 444</b>
<b>Amortisation and impairment</b>	
At 30 April 2013	2 223
Charge during the year	739
At 30 April 2014	2 962
Charge during the year	741
<b>At 30 April 2015</b>	<b>3 703</b>
<b>Carrying amount</b>	
<b>At 30 April 2015</b>	<b>741</b>
At 30 April 2014	1 482

Leasehold rights arose during the year ended 30 April 2010 when five retail supermarket business units were acquired from MTS Holdings (Proprietary) Limited. These units were refurbished and now operate under the brand name "Sefalana Shopper".

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 18 INVESTMENT IN ASSOCIATE

	2015	2014
	P'000	P'000
	<b>Total</b>	<b>Total</b>
	P'000	P'000
Investment at beginning of the period	2 335	2 300
Add: Share of profit	1 131	35
<b>Carrying value at 30 April 2015</b>	<b>3 466</b>	<b>2 335</b>

#### Kgalagadi Soap Industries (Proprietary) Limited

As at 30 April 2015, the fair value and carrying value of the Group's interest in Kgalagadi Soap Industries (Proprietary) Limited was P3.5 million.

Kgalagadi Soap Industries (Proprietary) Limited is a private company and there is no quoted market price available for its shares.

There is no contingent liabilities relating to the Group's interest in the associate.

Set out below are the summarised financial information for Kgalagadi Soap Industries (Proprietary) Limited which are accounted for using the equity method.

Summarised balance sheet	2015	2014
	P'000	P'000
<b>Non - current assets</b>		
Property, plant and equipment	4 578	4 327
Deferred tax	69	469
Total non - current assets	4 647	4 796
<b>Current assets</b>		
Cash and cash equivalents	4 315	2 681
Other current assets	10 891	8 850
Total current assets	15 206	11 531
<b>Current liabilities</b>		
Financial liabilities	(2 680)	(6 676)
Other current liabilities	(9 844)	(4 585)
Total current liabilities	(12 524)	(11 261)
<b>Net assets</b>	<b>7 329</b>	<b>5 066</b>



## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 18 INVESTMENT IN ASSOCIATE (continued)

	2015	2014
	P'000	P'000
<b>Summarised statement of comprehensive income</b>		
Revenue	39 547	19 488
Depreciation and amortisation	(371)	(363)
Interest income	10	3
Interest expense	(259)	(346)
Profit before tax	2 662	82
Income tax expense	(399)	(12)
Total comprehensive income for the year	2 263	70
<b>Reconciliation of summarised financial information</b>		
Opening net assets at 1 May 2014	5 066	2 696
Issue of shares		2 300
Profit for the period	2 263	70
Closing net assets at 30 April 2015	7 329	5 066
Less: impairment recognised at KSI Group	(396)	(396)
Closing net assets at 30 April 2015	6 933	4 670
Interest in associate at 50%	3 467	2 335

Other information pertaining to the associate company include:

Country of incorporation	Botswana
Financial year end	30 April
Effective interest in stated capital at KSI Holdings (Proprietary) Limited level	50%
Effective interest in stated capital at Sefalana Holding Company Limited level	25%
Principal activity	Manufacture and distribution of soaps and oil products

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 19 INVESTMENT IN JOINT VENTURE

Investment in Natural Value Foods Botswana (Proprietary) Limited as at 30 of April 2015

	Total
	P'000
Shares at cost (50 shares at P1.00 per share)	
Loan to joint venture	2 179
Total cost of investment	2 179
Add: Share of loss	(548)
<b>Carrying value at 30 April 2015</b>	<b>1 631</b>

#### Natural Value Foods Botswana (Proprietary) Limited

On 7 October 2014, Sefalana Holding Company Limited established a Joint Venture - Natural Value Foods Botswana (Proprietary) Limited, with Natural Value Foods (Proprietary) Limited South Africa and two individual shareholders. A Shareholder Agreement and Management Agreement have been entered into. All decisions are made between the parties with equal voting powers and no one party exerts control or significant influence over the other. As a result this entity is classified as a Joint Venture.

The joint venture shareholding structure is as follows:

	Shareholding %
Sefalana Holding Company Limited	50
Natural Value Foods (Proprietary) Limited, South Africa	40
Mr. Kevin Morris	5
Mrs. Amande Morris	5

At 30 April 2015, the fair value and carrying value of the Group's interest in Natural Value Foods Botswana (Proprietary) Limited was P1.6 million.

Natural Value Foods Botswana (Proprietary) Limited is a private company and there is no quoted market price available for its shares. There are no contingent liabilities relating to the Group's interest in the joint venture.

Set out below is the summarised financial information for Natural Value Foods Botswana (Proprietary) Limited which has been accounted for using the equity method.

#### Summarised balance sheet as at 30 April 2015

	P'000
<b>Non - current assets</b>	
Property, plant and equipment	2 253
Loan receivable	152
Total non - current assets	2 405
<b>Current assets</b>	
Cash and cash equivalents	1 718
Other current assets	2 127
Total current assets	3 845
<b>Current liabilities</b>	
Financial liabilities	(4 365)
Other current liabilities	(2 981)
Total liabilities	(7 346)
Net equity	(1 096)
Interest in Joint Venture (50%)	(548)

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 19 INVESTMENT IN JOINT VENTURE (continued)

#### Summarised statement of comprehensive income for the 7 months ended 30 April 2015

	P'000
Revenue	3 572
Depreciation and amortisation	(363)
Interest income	5
Loss for the period	(1 096)
Income tax expense	
Total comprehensive loss for the period	(1 096)

#### Reconciliation of summarised financial information

Opening net assets at 1 May 2014	
Loss for the period	(1 096)
Closing net assets at 30 April 2015	(1 096)

Interest in joint venture (50%)	(548)
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Other information pertaining to the joint venture include:

Country of incorporation	Botswana
Financial year end	30 April
Effective interest in stated capital at Sefalana Holding Company Limited level	50%
Principal activity	Supply and distribution of fruit and vegetables

### 20 PROPERTY DEVELOPMENT LOAN

	2015	2014
	P'000	P'000

GROUP	
Loan receivable	198

The property development loan was advanced by Sefalana Cash and Carry Limited to BG Estate (Proprietary) Limited at an interest rate of 14.50% per annum repayable in 120 equal monthly instalments from February 2005.

The loan was used by BG Estate (Proprietary) Limited to construct the building, from where one of the Sefalana outlets is operating under a long term lease agreement. Monthly lease rentals payable on this property by Sefalana are offset against the loan installment portion receivable from BG Estate (Proprietary) Limited.

### 21 DEFERRED LEASE ASSETS

GROUP	
At beginning of year	2 073
Movement during the year	437
At end of year	2 510

Deferred lease assets relate to investment properties and deferred letting commission, and represents the unamortised lease rentals arising from straight - lining of lease charges and unamortised letting commission over the lease term.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 22 DEFERRED TAX ASSETS AND LIABILITIES

#### GROUP

Deferred tax assets (liabilities) arise from the following:

	Accelerated tax depreciation	Revaluation of land and buildings	Inventory net realisable value adjustments	Retirement benefit assets	Other	Total
	P'000	P'000	P'000	P'000	P'000	P'000
At 30 April 2013	(10 582)	(47 816)	8 433	(3 629)	3 739	(49 855)
Current year movement	3 167	(887)	577	719	1 678	5 254
Gain on revaluation of land and building included in Other Comprehensive Income		(7 706)				(7 706)
Deemed conversion of subsidiary into associate	(480)					(480)
At 30 April 2014	(7 895)	(56 409)	9 010	(2 910)	5 417	(52 787)
At 30 April 2014	(7 895)	(56 409)	9 010	(2 910)	5 417	(52 787)
Current year movement	(2 011)	(1 460)	24	1 298	3 182	1 033
Gain on revaluation of land and building included in Other Comprehensive Income		(6 173)				(6 173)
At 30 April 2015	(9 906)	(64 042)	9 034	(1 612)	8 599	(57 927)

	2015	2014
	P'000	P'000
Disclosed as:		
Deferred tax assets	13 066	10 594
Deferred tax liabilities	(70 993)	(63 381)
	(57 927)	(52 787)

## For the year ended 30 April 2015

	2015	2014	2015	2014
			P'000	P'000
<b>COMPANY</b>				
<b>23 INVESTMENT IN SUBSIDIARIES</b>				
	% holding	% holding		
<b>Held directly:</b>				
Foods (Botswana) (Proprietary) Limited	100	100	2 524	2 524
KSI Holdings (Proprietary) Limited	50	50	4 250	4 250
Meybeernick Investments (Proprietary) Limited	100	100	1 504	1 504
MF Holdings (Proprietary) Limited	70	70	15 961	15 961
Sefalana Cash and Carry Limited	100	100	154 777	109 936
Sefalana sa Botswana Limited	100	100		
Sefalana Properties Limited, Zambia	80	80	57	57
Sefalana Cash and Carry Limited, Zambia	85	85	61	61
			<b>179 134</b>	<b>134 293</b>
			<b>% holding by the controlling entity</b>	
			<b>2015</b>	<b>2014</b>
<b>Held indirectly, through:</b>				
KSI Holdings (Proprietary) Limited				
Refined Oil Products (Proprietary) Limited			100	100
Kgalagadi Soap Industries (Proprietary) Limited			50	50
Sefalana Cash and Carry Limited				
Welcome Serowe (Proprietary) Limited	*		100	100
Sefalana Cash and Carry (Namibia) (Proprietary) Limited	**		100	100
MF Holdings (Proprietary) Limited				
Bargen (Proprietary) Limited	***			72
Commercial Motors (Proprietary) Limited			100	100
Ellerry Holdings (Proprietary) Limited			100	100
Mechanised Farming (Proprietary) Limited			100	100

The principal activities of the subsidiaries are described in the Group Managing Director's report and Company Profiles. Wherever control is established through operation of shareholders agreement, those companies are deemed subsidiaries.

\*On 30 November 2013, the Group acquired the entire share capital of Welcome Serowe (Proprietary) Limited, a bottle store and bar in Serowe, Botswana. The purchase consideration was P3.3 million. No goodwill was payable on this acquisition.

The purchase price allocation is arrived at as follows:

	P'000
Total identifiable net assets	(3 300)
Fair value of consideration - cash	3 300
Goodwill	
Total identifiable net assets	
Land and buildings	3 175
Fixtures and fittings	125
	3 300

\*\* On 16 December 2013, the Group registered a Namibian entity under the name Sefalana Cash and Carry (Namibia) (Proprietary) Limited to facilitate the Group's entry into the Namibian market. The Group's first acquisition related to the purchase of an existing supermarket in Katima Mulilo in Namibia. The purchase consideration for this business was P6 million, including P3.7 million in respect of goodwill.

The purchase price allocation is arrived at as follows:

	N\$'000	P'000
Total identifiable net assets (plant and equipment)	2 653	2 211
Fair value of consideration - cash	7 141	5 951
Goodwill	4 488	3 740



## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 23 INVESTMENT IN SUBSIDIARIES (continued)

Sefalana Cash and Carry (Namibia) (Proprietary) Limited entered into an agreement to acquire the trading business of Metro Cash and Carry Namibia. This transaction was completed on 1 July 2014. The purchase consideration was N\$215 million (P178 million).

The purchase price allocation for this transaction is arrived at as follows:

	N\$'000	P'000
Total identifiable assets - note 1	197 931	163 215
Fair value of consideration - cash	215 326	177 561
Goodwill	17 395	14 346
<b>Note: 1 - Total identifiable net assets</b>		
Property plant and equipment	7 546	6 223
Inventories	66 400	54 754
Trade and other receivables	6 632	5 469
Cash and cash equivalents	235	194
Trade and other payables	(4 282)	(3 534)
Brand value	116 000	95 655
Customer contracts	5 400	4 454
	197 931	163 215

The above transaction was financed through a Rights Issue of 1 offer share for every 5 shares held. Total proceeds received through the Rights Issue net of expenses amounted to P256 million. The exercise price was P6.95 which amounted to a discount of 7% at the exercise date of 24 June 2014. These shares were fully subscribed and resulted in an increase in the stated capital number of shares by 37 144 723 shares. The total number of shares after the Rights Issue amounts to 222 868 186.

As a result of this acquisition the Group has gained significant access into the Namibian market. It has also reduced costs through economies of scale. Refer to note 6 for segmental results.

The goodwill arising from these acquisitions is mainly attributable to economies of scale to be derived from combining the operations of Metro Cash and Carry Namibia with the existing activities of the Group.

The Namibian operation is considered to be a single cash generating unit and therefore the goodwill relating to the first acquisition into Namibia in Katimo Mulilo in December 2013 has been combined with the goodwill paid on the purchase of the Metro Cash and Carry business.

The revenue included in the consolidated statement of comprehensive income in respect of this acquisition amounts to P0.8 billion with earnings before interest, tax and amortisation amounting to P28.8 million.

\*\*\* On 31 December 2014 the Group disposed of its entire investment in the subsidiary Bargen (Proprietary) Limited for a consideration of P5 million. The profit on disposal of this subsidiary was P1.8 million which has been included under other income.

Disposal of subsidiary - carrying value of assets sold

	P'000
<b>Total identifiable net assets:</b>	
Property plant and equipment	252
Trade and other receivables	3 164
Cash and cash equivalents	6 886
Trade and other payables	(5 921)
Non - controlling interest	(1 225)
Net assets disposed	3 156
Gain on disposal of subsidiary	1 884
Cash consideration received	5 040

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 24 INVENTORIES

	2015	2014
	P'000	P'000
<b>GROUP</b>		
Purchased for resale	335 205	225 432
Finished goods	844	507
Raw materials	19 822	58 464
Work in progress	1 491	686
Less: provision for obsolescence	(3 546)	(2 211)
	353 816	282 878

Inventory stated at net realisable value amount to P10.99 million (2014: P8.89 million). Inventory written off during the year amount to nil (2014: nil).

### 25 TRADE AND OTHER RECEIVABLES

<b>GROUP</b>		
Trade receivables	139 691	109 776
Impairment provision	(10 458)	(13 568)
	129 233	96 208
Prepaid expenses	9 895	6 909
Other receivables	16 877	19 576
	156 005	122 693

The average credit period on sale of goods is 40 days (2014: 40 days).

Included in trade and other receivables are amounts due in foreign currencies being South African Rand, R3.3 million (2014: R3.7 million), Namibian Dollar, N\$19.8 million (2014: nil), United States Dollar, US\$0.53 million (2014: US\$0.08 million) and Euro, EUR1.8 million (2014: nil) all of which equates to P44.3 million (2014: P4.04 million).

From the Group's historical delinquency experience, once trade receivables remain outstanding for a period of more than 90 days after the date of invoicing, there is an indication of possible impairment of the debt and the customer's ability to settle its obligation. Accordingly, the Group accounts for specific impairment of all receivables which are aged over 90 days at the reporting date. Trade receivables which are aged between 30 and 90 days are classified as past due but not individually impaired. Provisions for impairment are raised against these receivables based on a specific identification of the impaired receivable where applicable.

Before accepting any new customer, the Group assesses the potential customer's credit quality and defines credit limits for that customer. Limits and scoring attributed to customers are reviewed and updated regularly.

Included in the Group's trade receivable balance are receivables with a carrying value of P18 million (2014: P11.2 million) which are past due at the reporting date for which the Group has not provided as there has not been any significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 60 days (2014: 60 days).

## Notes to the financial statements (continued)

For the year ended 30 April 2015

	2015	2014
	P'000	P'000
<b>25 TRADE AND OTHER RECEIVABLES (continued)</b>		
Ageing of past due but not impaired:		
<b>GROUP</b>		
30 - 60 days	14 215	8 883
60 - 90 days	1 854	1 269
90 - 120 days	1 969	1 094
<b>Total</b>	<b>18 038</b>	<b>11 246</b>

Movement in allowances for impairment:

<b>GROUP</b>		
Balance at beginning of year	13 568	12 184
Business combination		(160)
Impairment losses (reversed) / recognised during the year	(1 744)	2 589
Amounts written off as uncollectible	(1 346)	(992)
Amounts recovered during the year	(20)	(53)
<b>Balance at end of year</b>	<b>10 458</b>	<b>13 568</b>

In determining the recoverability of a trade receivable the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the reporting date. Credit risk is not concentrated in any particular segment due to the customer base being large and unrelated. Accordingly, the Directors believe that no further impairment provision is required in excess of the allowance for doubtful debts.

The maximum exposure to credit risk at year end is P157.7 million (2014: P129.4 million).

<b>COMPANY</b>		
Trade receivables	1 710	2 472
	<b>1 710</b>	<b>2 472</b>

Credit risk is not considered to be significant at Company level due to the nature of the items held within trade receivables and prepaid expenses and therefore no impairment provision is considered necessary.

Included in the above amount is P1.6 million (2014: P1.6 million) past due but not impaired.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

	2015	2014
	P'000	P'000

## 26 RELATED PARTY BALANCES AND TRANSACTIONS

There is no impairment provision in respect of amounts owed by related parties at the end of the reporting year. Assessment is undertaken each financial year through examining the financial position of the related party and the market in which it operates to ensure provisions are made if necessary.

The majority of related party loans bear interest at bank prime rate less 3.35% which represent the Company's borrowing rate from its main banker in Botswana. There are no fixed terms for repayment.

<b>COMPANY</b>		
<b>Amount due from local subsidiaries:</b>		
Sefalana Cash and Carry Limited	134 512	
<b>Amounts due from foreign subsidiaries:</b>		
Sefalana Properties Limited, Zambia	4 460	9 105
<b>Total amounts due from related parties</b>	<b>138 972</b>	<b>9 105</b>

All amounts due from related parties are performing according to established credit terms, and no default or loss on account of impairment is anticipated based on available forecasts and business plans.

Amounts due from Sefalana Properties Limited, Zambia represent an amount receivable in United States Dollars, US\$0.45 million (2014: US\$1.0 million).

<b>Amounts due to:</b>		
Sefalana sa Botswana Limited	5 056	5 056
Meybeernick Investments (Proprietary) Limited	1 242	8 567
<b>Total amounts due to related parties</b>	<b>6 298</b>	<b>13 623</b>

All amounts due to related parties are in line with agreed credit terms and are repayable on demand.

### Amounts paid during the year

Refer to note 12 for amounts paid to Directors during the year.

<b>COMPANY</b>		
<b>Interest income from loans to subsidiaries</b>		
Sefalana Cash and Carry Limited	14 116	
<b>Interest paid on loans from subsidiaries</b>		
Meybeernick Investments (Proprietary) Limited	946	226
<b>Dividends from subsidiaries</b>		
Sefalana Cash and Carry Limited	54 000	21 622
<b>Rent paid (Group only)</b>		
Sefalana Group Staff Pension Fund	5 215	4 966
<b>Contribution to pension fund (Group only)</b>		
Sefalana Group Staff Pension Fund	6 108	5 480

## Notes to the financial statements (continued)

For the year ended 30 April 2015

	2015	2014
	P'000	P'000
<b>27 CASH AND CASH EQUIVALENTS</b>		
<b>GROUP</b>		
Cash on hand	7 255	650
Bank balances	276 060	77 221
Short term deposits	138 212	110 297
	<b>421 527</b>	<b>188 168</b>
<b>Cash and cash equivalents represented by:</b>		
Cash on hand and bank balances	421 527	188 168
Bank overdraft	(11 243)	(32 330)
	<b>410 284</b>	<b>155 838</b>
<b>COMPANY</b>		
Bank balances	<b>89 138</b>	<b>6 587</b>
<b>Cash and cash equivalents are represented by:</b>		
Cash on hand and bank balances	89 138	6 587
Bank overdraft		(2 610)
	<b>89 138</b>	<b>3 977</b>

The credit quality of cash at bank and short term deposits that are neither past due nor impaired can be assessed by reference to external credit ratings or historical information about counterparty default rates. Short term deposits earn interest rates from 4% to 8% based on the money market interest rates and have notice periods from 30 to 60 days.

## 28 NON CURRENT ASSET HELD FOR SALE

Asset classified as held for sale	7 164
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In January 2015, Plot 64260, Broadhurst Industrial was marketed for sale. The Directors expect the sale of this property to be completed within 12 months of the reporting date. This asset has therefore been classified as held for sale and is valued based on the Directors' best estimate of its value at the reporting date, supported by an external third party valuation.

As at the reporting date an agreement has been entered into with a third party for the sale of this property. This sale is contingent on a number of events but is expected to be completed within 12 months of the reporting date.

## 29 STATED CAPITAL

<b>GROUP AND COMPANY</b>			
Issued and fully paid:			
At beginning of year	185 723 463	79 243	79 243
Additional shares issued during the year	37 144 723	256 469	
<b>At end of year</b>	<b>222 868 186</b>	<b>335 712</b>	<b>79 243</b>

The Company has one class of ordinary shares of no par value which carry no right to fixed income.

On 24 June 2014 the company issued 37 144 723 Rights Issue Shares at a price of P6.95 per share, at a ratio of 1 offer share for every 5 shares held. Details of this programme are included in note 23.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

## 30 OTHER RESERVES

<b>GROUP</b>			
	Land and buildings revaluation	Currency translation	Total
	P'000	P'000	P'000
At 30 April 2013	155 510	2 614	158 124
Movements during the year (net of tax)	27 959	(3 608)	24 351
Reclassification of subsidiary into associate	(5 612)		(5 612)
At 30 April 2014	177 857	(994)	176 863
At 30 April 2014	177 857	(994)	176 863
Movements during the year (net of tax)	22 747	(2 849)	19 898
<b>At 30 April 2015</b>	<b>200 604</b>	<b>(3 843)</b>	<b>196 761</b>

Land and buildings reserve relates to the revaluation of property, plant and equipment.

The currency translation reserve comprises differences arising from the translation of foreign denominated assets and liabilities to the reporting currency at the year end. These assets and liabilities relates to the Namibian and Zambian entities.

## 31 FINANCE LEASE OBLIGATIONS AND OTHER FINANCIAL LIABILITIES

<b>GROUP</b>				
Finance Lease Obligations	2015		2014	
	Future minimum lease payments	Present value of capital payments	Future minimum lease payments	Present value of capital payments
	P'000	P'000	P'000	P'000
Finance lease liabilities are payable as follows:				
Within one year			2 452	2 096
Between two to five years			2 205	1 824
			4 657	3 920
Unearned finance charges			(737)	
			3 920	3 920
			<b>2015</b>	<b>2014</b>
			<b>P'000</b>	<b>P'000</b>
Comprising:				
Non - current				1 824
Current				2 096
				<b>3 920</b>

The leases are in respect of store premises and comprise fixed rentals payable monthly with annual escalations of between 1% and 10%. Main leases have renewal options for a further period of five years.



## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 32 DEFERRED LEASE OBLIGATIONS

	2015	2014
	P'000	P'000
Group		
Balance at beginning of year	8 189	5 918
Raised during the year	2 128	2 271
<b>Balance at end of year</b>	<b>10 317</b>	<b>8 189</b>

Lease costs are recognised over the lease term on a straight - line basis. Deferred lease obligations relate to the difference in actual lease payments made and lease costs recognised in the Statement of Comprehensive Income on a straight - line basis.

### 33 LOANS AND BORROWINGS

GROUP		
Long term portion	58 076	14 243
Current portion	16 526	52 454
	<b>74 602</b>	<b>66 697</b>

COMPANY		
Long term portion	8 076	9 210
Current portion	2 296	2 002
	<b>10 372</b>	<b>11 212</b>

Loans and borrowings include the following:

#### COMPANY AND GROUP

The term loan from First National Bank of Botswana Limited for US\$2 137 500, bears interest at the 3 month LIBOR rate plus 1.75% and is repayable in 120 months commencing from 31 May 2010. This loan is secured by a first Covering Mortgage Bond of P25 million over Plot 22026/27 Gaborone, Botswana and by an unlimited letter of suretyship from a subsidiary company, Meybeernick Investments (Proprietary) Limited.

#### GROUP

The Group previously had issued promissory notes with a face value of P50 million to Botswana Insurance Fund Management Limited. These promissory notes carried interest at 6% and were fully repaid in December 2014, and replaced with an overdraft facility of the same value with Standard Chartered Bank Botswana.

The Group has entered into a P100 million facility arrangement with Botswana Insurance Fund Management Limited. The draw - down period is from March 2014 to February 2016 and is repayable in 2029. Interest is charged at 8.1% per annum. This arrangement will be utilised to fund the Group's planned capital projects. At 30 April 2015, P50 million of this facility had been drawn down.

## Notes to the financial statements (continued)

For the year ended 30 April 2015

	2015	2014
	P'000	P'000
<b>34 TRADE AND OTHER PAYABLES</b>		
<b>GROUP</b>		
Trade payables	352 452	196 287
Accrued expenses	36 751	39 040
Advances from customers	4 534	3 834
Other payables	6 027	3 711
Unclaimed dividends	1 552	1 386
	<b>401 316</b>	<b>244 258</b>

Included above are liabilities denominated in foreign currencies being South African Rand, R109.4 million (2014: R97.0 million) which equates to P90.2 million (2014: P82.4 million), Namibian Dollar, N\$130.4 million (2014: nil) which equates to P107.6 million (2014: nil), United States Dollar, US\$0.29 million (2014: US\$1.4 million) which equates to P2.8 million (2014: P12.6 million) and Euro, EUR2.03 million (2014: nil) which equates to P22 million (2014: nil).

The average credit period for certain service cost liabilities is 30 days. Other payables are settled as and when they fall due. The Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

COMPANY		
Trade payables	459	252
Accrued expenses	61	20
Unclaimed dividends	1 192	1 028
	<b>1 712</b>	<b>1 300</b>

### 35 FINANCIAL ASSETS BY CATEGORY

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable. Financial assets of the Group and Company are classified as follows:

#### Category - loans and receivables

GROUP		
Property development loan		198
Trade and other receivables (excluding prepaid expenses)	146 110	115 784
Cash and cash equivalents	421 527	188 168
	<b>567 637</b>	<b>304 150</b>
COMPANY		
Amounts due from related parties	273 484	9 105
Trade and other receivables (excluding prepaid expenses)	1 710	2 472
Cash and cash equivalents	89 138	6 587
	<b>229 820</b>	<b>18 164</b>

## Notes to the financial statements (continued)

For the year ended 30 April 2015

	2015	2014
	P'000	P'000

### 36 FINANCIAL LIABILITIES BY CATEGORY

The accounting policies for financial instruments have been applied to financial assets and financial liabilities as applicable. Financial liabilities of the Group and Company are classified as follows:

#### Category - financial liabilities at amortised cost

GROUP		
Trade and other payables	399 764	242 872
Finance lease obligations		3 920
Loans and borrowings	74 602	66 697
Bank overdrafts	11 243	32 330
	<b>485 609</b>	<b>345 819</b>
COMPANY		
Amounts due to related parties	6 298	13 623
Trade and other payables	520	272
Loans and borrowings	10 372	11 212
Bank overdraft		2 610
	<b>17 190</b>	<b>27 717</b>

### 37 SHORT TERM BANKING FACILITIES

The short term banking facilities of the Group are presented below. The term loan facility available to the Group is detailed in note 33.

GROUP				
Banker	Facility	Currency	Limit in foreign currency	Limit in equivalent reporting currency (BWP)
Standard Chartered Bank Botswana Limited	Overdraft	BWP	N/A	152.0 million
	Overdraft	USD	1.0 million	9.7 million
	Letters of credits and guarantees	USD	2.1 million	22.0 million
	Letters of credit	ZAR	9.7 million	8.0 million
	Guarantee		N/A	34.0 million
Standard Bank Namibia Limited	Overdraft	N\$	30.0 million	24.7 million
African Banking Corporation Limited	Letters of credit	EUR	9.6 million	104.0 million
	Guarantee	EUR	2.6 million	29.0 million
Wesbank (a division of First National Bank of Botswana Limited)	Vehicles and equipment floor plan	BWP	N/A	4.8 million
First National Bank of Botswana Limited	Guarantee	BWP	0.1 million	0.1 million

The average interest rate on overdraft facilities utilised by the Group is at the commercial banks' prime rate less 3%.

Certain book debts of the subsidiary companies amounting to nil (2014: P18.5 million) are also encumbered as security for their available facilities. There are cross suretyships between companies within the same group proportionate to shareholdings.

The Group's unutilised facilities at the end of the year is equivalent to approximately P252.0 million (2014: P82.0 million).

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 38 PROVISIONS AND ACCRUALS

	Accruals for employee benefits	Other provisions	Total
	P'000	P'000	P'000
GROUP			
At 30 April 2013	23 800	1 952	25 752
Arising during the year	21 440	1 818	23 258
Business combination	(3 988)		(3 988)
Utilised during the year	(14 871)		(14 871)
<b>At 30 April 2014</b>	<b>26 381</b>	<b>3 770</b>	<b>30 151</b>
GROUP			
At 30 April 2014	26 381	3 770	30 151
Arising during the year	31 991	819	32 810
Arising from disposal of subsidiary	(428)		(428)
Utilised during the year	(17 536)		(17 536)
<b>At 30 April 2015</b>	<b>40 408</b>	<b>4 589</b>	<b>44 997</b>

The provision for employee benefits represents annual leave and severance benefit entitlements as applicable. Other provisions include provisions for warranties and service plans.

### 39 OPERATING LEASES

#### Group as lessor

Operating leases relate to property owned by the Group with lease terms of between 12 months to 10 years, with an option to extend for a further negotiated period. All operating lease agreements contain market review clauses in the event that the lessee exercises its option to renew.

No lessee has an option to purchase the property at the expiry of the lease period.

	2015	2014
	P'000	P'000
Lease payments due		
Within one year	10 133	8 558
Within two to five years	7 349	14 718
Over five years		
	<b>17 482</b>	<b>23 276</b>

#### Group as lessee

At the year end, the Group had contracted with tenants for the following minimum lease payments:

Within one year	35 690	19 217
Within two to five years	114 849	45 232
Over five years	35 380	16 582
	<b>185 919</b>	<b>81 031</b>

Notes to the financial statements (continued)

For the year ended 30 April 2015

Notes to the financial statements (continued)

For the year ended 30 April 2015

40 RETIREMENT BENEFIT ASSETS

Up until 30 September 2010, the Group operated two defined contribution retirement benefit plans, namely:

- a) the Sefalana Pension Fund: Members of this Fund were the qualifying employees of Sefalana Holding Company Limited and Foods Botswana; and
- b) the Sefcash Retirement Fund: Members of this Fund were the qualifying employees of Sefalana Cash and Carry Limited.

Effective from 1 October 2010 the Sefalana Pension Fund and the Sefcash Retirement Fund were amalgamated to form the Sefalana Group Staff Pension Fund.

The assets of these pension Funds are held separately from those of the Group’s businesses, in Funds under the control of respective Board of Trustees represented equally by representative employers and members, and have operated as one Fund since 1 October 2010.

The administration of the Fund is managed by an independent professional body, AON Botswana (Proprietary) Limited. The Sefalana Pension Fund converted from a defined benefit plan to a defined contribution plan during 2004. Upon this conversion a portion of the surplus of Fund assets over the Fund’s liability to members was distributed into an Employer Reserve. This was available to be utilised solely for employer contributions into the members’ pension credits in lieu of cash contributions, for the approximately 60 members in the Fund at that time.

This Employer Reserve, which shares in the returns of underlying Fund assets, will continue to exist in the amalgamated Fund, and under rules for this amalgamated Fund, is being utilised to fund employer contributions to the pension Fund, and to meet certain other expenses of the amalgamated Fund.

The results of the Fund, although not coterminous with the Group’s financial year have been included into the Group results for the year ending 30 April 2014 and 30 April 2015. The Funds year end is 31 January. The Directors and Trustees are comfortable that there has been no significant movement in the valuation of the Fund and its assets between 31 January and 30 April of respective financial years.

The amalgamated Fund had a surplus balance on the Employer Reserve available to the participating employers (the Sefalana Group) of P7.3 million (2014: P13.2 million).

	2015	2014
	P'000	P'000
<b>Plan assets consist of the following at fair value</b>		
Property occupied by the Group	50 000	46 000
Equity securities	987	924
Managed funds	178 257	168 443
Cash	6 161	2 172
Other assets	756	1 207
	<b>236 161</b>	<b>218 746</b>
<b>Plan liabilities consist of the following:</b>		
Payables	(7 256)	(3 259)
<b>Net surplus</b>	<b>228 905</b>	<b>215 487</b>
<b>Represented by:</b>		
Members Funds	187 989	170 413
Employer Reserve	7 334	13 187
Other Reserves	33 582	31 887
	<b>228 905</b>	<b>215 487</b>

Amounts recognised in the Statement of Comprehensive Income in respect of movement in Employer Reserve:

Return on plan assets	1 309	3 305
Employer contributions	(5 679)	(5 147)
Other net costs	(1 483)	(1 464)
<b>Included in staff costs</b>	<b>(5 853)</b>	<b>(3 306)</b>

41 FINANCIAL INSTRUMENTS

Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the relative debt and equity balance. The Group’s overall strategy remains unchanged from prior years. The capital structure of the Group consists of long term borrowings, bank overdrafts and equity attributable to equity holders of the parent.

Gearing ratio

The Board of Directors reviews the capital structure on an on - going basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The Group aims to minimise net borrowings on a Group basis but will incur debt for expansion of operations where necessary. The Group has a target maximum gearing ratio of 20 - 25% determined as the proportion of net debt to equity. At the year end, the Group’s cash and cash equivalents exceeded the borrowings from banks.

Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instruments are disclosed in note 3 to the financial statements.

Financial risk management objectives

The Group’s Corporate Treasury function provides services to the business, co - ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Group’s financial risk management policies are approved by the Board of Directors, which provide principles on foreign exchange risk, interest rate risk, credit risk, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by management on a continuous basis. The Group does not enter into or trade in financial instruments, including derivative financial instruments, for speculative purposes. The Corporate Treasury function reports quarterly to the Company’s Board of Directors, an independent body that monitors risks and policies implemented to mitigate risk exposures.

Market risk

The Group’s activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. The Group enters into forward foreign exchange contracts to hedge the exchange rate risk arising on the import of supplies throughout the Group. There were no outstanding forward exchange contracts at the year end. Market risk exposures in the prices of grains used by Foods (Botswana) (Proprietary) Limited are managed by securing contracts for bulk purchases of grain.

Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies resulting in exposures to exchange rate fluctuations. The most significant foreign exchange exposure arise from South African Rand denominated purchases of goods for the Trading - Consumer Goods and Manufacturing operating segments. These obligations are generally settled within 30 days of delivery of goods, thus limiting the Group’s exposure. Furthermore, anticipated changes in foreign exchange rates are considered in the sales pricing of such goods.

The Trading - Other operating segment attracts exposure to foreign currency exchange risk to the Euro and United States Dollar through importation of vehicles and equipments from foreign suppliers. The Group manages these risks through securing appropriate deposits in the underlying currencies.

The carrying amounts of the Group’s foreign currency denominated monetary assets and monetary liabilities as at the reporting date are as follows:

	Assets	Assets	Liabilities	Liabilities
	2015	2014	2015	2014
	000	000	000	000
South African Rand (ZAR)	103 465	61 391	109 390	97 045
Namibian Dollar (N\$)	109 046		130 423	
United States Dollars (USD)	1 604	1 449	1 336	1 436
Zambian Kwacha (K)	170	120		
Euro (EUR)	4 540	11	3 348	
Pula equivalent	240 220	62 768	247 185	95 009



## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 41 FINANCIAL INSTRUMENTS (continued)

#### Foreign currency sensitivity analysis

The Group is exposed to the South African Rand and Namibian Dollar through its regional buying and selling operations; the Euro, as a result of a trading agreement and United States Dollars through a long term borrowing facility. The following table details the Group's sensitivity to a 10% increase and decrease in the Pula against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit and other equity where the Pula strengthens 10% against the relevant currency. For a 10% weakening of the Pula against the relevant currency, there would be an equal and opposite impact on the profit and other equity.

	2015				2014	
	ZAR impact	N\$ impact	USD impact	EUR impact	ZAR impact	USD impact
	P'000	P'000	P'000	P'000	P'000	P'000
<b>On liabilities:</b>						
Profit if Pula strengthens by 10%	9 020	10 755	1301	3 623	8 776	1163
Loss if Pula weakens by 10%	(9 020)	(10 755)	(1301)	(3 623)	(8 776)	(1163)
<b>On assets:</b>						
Profit if Pula weakens by 10%	8 532	8 992	1562	4 913	5 552	1174
Loss if Pula strengthens by 10%	(8 532)	(8 992)	(1562)	(4 913)	(5 552)	(1174)

#### Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at floating interest rates. The Group's exposure to interest rates on financial assets and financial liabilities is detailed in the liquidity risk management section of this note.

#### Interest rate sensitivity analysis

The sensitivity analysis has been determined based on the exposure of financial instruments to interest rates at the reporting date. For floating rate liabilities denominated in the reporting currency, the analysis is prepared assuming the amount of liability outstanding at the reporting date was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher / lower and all other variables were held constant, the Group's profit for the year ended 30 April 2015 would decrease / increase by P544 000 (2014: decrease / increase by P509 000).

## Notes to the financial statements (continued)

For the year ended 30 April 2015

### 41 FINANCIAL INSTRUMENTS (continued)

#### Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade and above. The Group uses publicly available financial information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. On - going credit evaluation is performed on the financial condition of accounts receivable.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Group defines counterparties as having similar characteristics if they are related entities. Concentration of credit risk did not exceed 5% of gross monetary assets at any time during the year. The credit risk on liquid funds is limited because the counterparties are banks with high credit - ratings assigned by international credit - rating agencies.

The carrying amount of financial assets recorded in the financial statements is net of impairment losses and represents the Group's maximum exposure to credit risk.

Financial assets exposed to credit risk at end of year	2015	2014
	P'000	P'000

#### GROUP

Trade and other receivables (excluding prepaid expenses)	146 110	115 784
Bank balances with:		
African Alliance Botswana Management Company (Proprietary) Limited	24	155
African Banking Corporation Limited	99 099	29 927
Barclays Bank of Botswana Limited	1 690	2 249
Capital Bank Limited	6 373	
First National Bank of Botswana Limited	21 328	23 047
First National Bank of Namibia Limited	2 109	2 109
First National Bank of South Africa Limited	10 619	18 598
Stanbic Bank Botswana Limited	1 280	6 458
Standard Bank Namibia Limited		
Standard Chartered Bank Botswana Limited	206 685	104 949
Standard Chartered Bank Namibia Limited	64 852	
Zambia National Commercial Bank, Lusaka, Zambia	213	28
Other non current financial assets		198
	<b>560 382</b>	<b>303 502</b>

#### COMPANY

Trade and other receivables	1 710	2 472
Amount due from related parties	138 972	9 105
Bank balances with:		
First National Bank of Botswana Limited	4 481	6 587
Standard Chartered Bank of Botswana Limited	58 758	
African Banking Corporation Limited	25 900	
	<b>229 821</b>	<b>18 164</b>

Notes to the financial statements (continued)

For the year ended 30 April 2015

41 FINANCIAL INSTRUMENTS (continued)

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which has built an appropriate liquidity risk management framework for the management of the Group's short, medium and long - term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Group's remaining contractual maturity for its non - derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to repay the liability. The table includes both interest and principal cash flows.

GROUP			
	Less than 1 year	Between 2 - 5 years	Above 5 years
	P'000	P'000	P'000
At 30 April 2015:			
Trade and other payable	401 316		
Loans and borrowings	20 986	25 370	86 450
Total	422 302	25 370	86 450
At 30 April 2014:			
Trade and other payable	244 258		
Finance lease liabilities	2 096	2 205	
Loans and borrowings	52 454	6 615	11 007
Total	298 808	8 820	11 007
		2015	2014
		P'000	P'000
The Group has unused banking facilities available at the reporting date as follows:			
Overdraft		175 225	80 019
Wesbank floor plan		4 750	4 750
Letters of credit and guarantee		71 871	4 950

The Group will finance cash flows to settle the above obligations through the utilisation of unused banking facilities and future operating cash flows.

Notes to the financial statements (continued)

For the year ended 30 April 2015

42 CONTINGENT LIABILITIES

a) Pending litigations against the Companies within the Group are summarised below:

	Number of cases pending	Approximate claim value P'000
Commercial Motors (Proprietary) Limited	1	942
Mechanised Farming (Proprietary) Limited	2	2 843
Sefalana Cash and Carry Limited	2	920

b) Bank guarantees issued in the ordinary course of business are as stated below and are in place to facilitate supply of products and services to the respective entities within the Group.

	Currency	Amount '000
Foods Botswana (Proprietary) Limited	BWP	3 573
Mechanised Farming (Proprietary) Limited	BWP	80
Mechanised Farming (Proprietary) Limited	USD	5
Meybeernick Investments (Proprietary) Limited	BWP	41
Sefalana Cash and Carry Limited	BWP	97
Commercial Motors (Proprietary) Limited	ZAR	9 700
Commercial Motors (Proprietary) Limited	EUR	2 680

c) Assets mortgaged by the Group companies for various banking facilities are as stated in notes 14, 15 and 33.

d) Sefalana Holding Company Limited has issued letters of suretyships to support various banking facilities enjoyed by the companies within the Group.

	P'000	P'000
Capital expenditure approved by the Directors:		
Contracted for	24 053	24 630
Not contracted for	31 529	24 499
	55 582	49 129

43 CAPITAL COMMITMENTS

The Group will procure third party financing for the major capital commitments before they are incepted.

44 SUBSEQUENT EVENTS

There are no significant events occurring after the reporting date that has an impact on the results or disclosures as at 30 April 2015.

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Sefalana Holding Company Limited will be held at the Sefalana Head Office, Plot 10038, Corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site Gaborone, on Friday 30 October 2015 at 16H00 for the purpose of transacting the following business:

Ordinary business

- 1

**Ordinary Resolution**

To receive, consider and adopt the audited Group’s consolidated financial statements for the year ended 30 April 2015 together with the Directors’ and Auditor’s reports thereon.
- 2

**Ordinary Resolution**

To ratify the dividends declared and paid during the period being a gross interim dividend of 10 thebe per ordinary share paid to shareholders on 6 March 2015 and a gross final dividend of 20 thebe per ordinary share paid to shareholders on 4 September 2015.
- 3

**Ordinary Resolution**

To approve the appointment of Dr. Ponatshego Kedikilwe who filled a casual vacancy on the Board during the year ended 30 April 2015.
- 4

**Ordinary Resolution**

To re - elect Dr. Keith Robert Jefferis as Director who retires in accordance with the Articles of Association and being eligible, offer himself for re - election.
- 5

**Ordinary Resolution**

To confirm the resignation of Mrs. Jennifer Marinelli who retires from the Board, effective 30 October 2015.
- 6

**Ordinary Resolution**

To approve the remuneration of the Directors for the year ended 30 April 2015 as required by the Articles of Association and as detailed in note 12 to the financial statements.
- 7

**Ordinary Resolution**

To approve the remuneration of the Auditors for the year ended 30 April 2015 as disclosed in Note 11 to the financial statements.
- 8

**Ordinary Resolution**

To approve the appointment of PricewaterhouseCoopers as Auditors for the ensuing financial year.
- 9

**Any other buisness**

To transact such other business as may be transacted at an Annual General Meeting.

Voting and Proxies

A member entitled to attend and vote at the above mentioned meeting is entitled to appoint a proxy to attend and speak and, on a poll, to vote in his / her / its stead. A proxy need not be a member of the Company.

Proxy forms must be deposited or received at Sefalana Head Office, Plot 10038, Corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Private Bag 0080, Gaborone, not less than 48 hours before the meeting.

By order of the Board



Gofaone Senna  
Company Secretary  
29 September 2015

Form of Proxy

For completion by holders of ordinary shares

PLEASE READ THE NOTES OVERLEAF BEFORE COMPLETING THIS FORM.

For use at the Annual General Meeting of ordinary shareholders of Sefalana Holding Company Limited to be heldat the Sefalana Head Of- fice, Plot 10038, Corner of Nelson Mandela Drive and Kubu Road, Broadhurst Industrial Site, Gaborone on Friday 30 October 2015 at 16H00.

I / We

(name/s in block letters)

of

(address)

Appoint (see note 1):

1. \_\_\_\_\_ or failing him / her, \_\_\_\_\_
2. \_\_\_\_\_ or failing him / her, \_\_\_\_\_
3. the Chairman of the Meeting, \_\_\_\_\_

as my / our proxy to act for me / us at the General Meeting which will be held for the purpose of considering and if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment thereof, and to vote for or against the resolutions and / or abstain from voting in respect of the ordinary shares registered in my / our name in accordance with the following instructions (see note 2):

	Number of ordinary shares		
	For	Against	Abstain
1. Ordinary resolution number 1			
2. Ordinary resolution number 2			
3. Ordinary resolution number 3			
4. Ordinary resolution number 4			
5. Ordinary resolution number 5			
6. Ordinary resolution number 6			
7. Ordinary resolution number 7			
8. Ordinary resolution number 8			

Signed at                      on                      2015

Signature \_\_\_\_\_

Assisted by (where applicable) \_\_\_\_\_

Each shareholder is entitled to appoint one or more proxies (who need not be member/s of the company) to attend, speak and vote in place of that shareholder at the General Meeting.

Please read the accompanying notes.

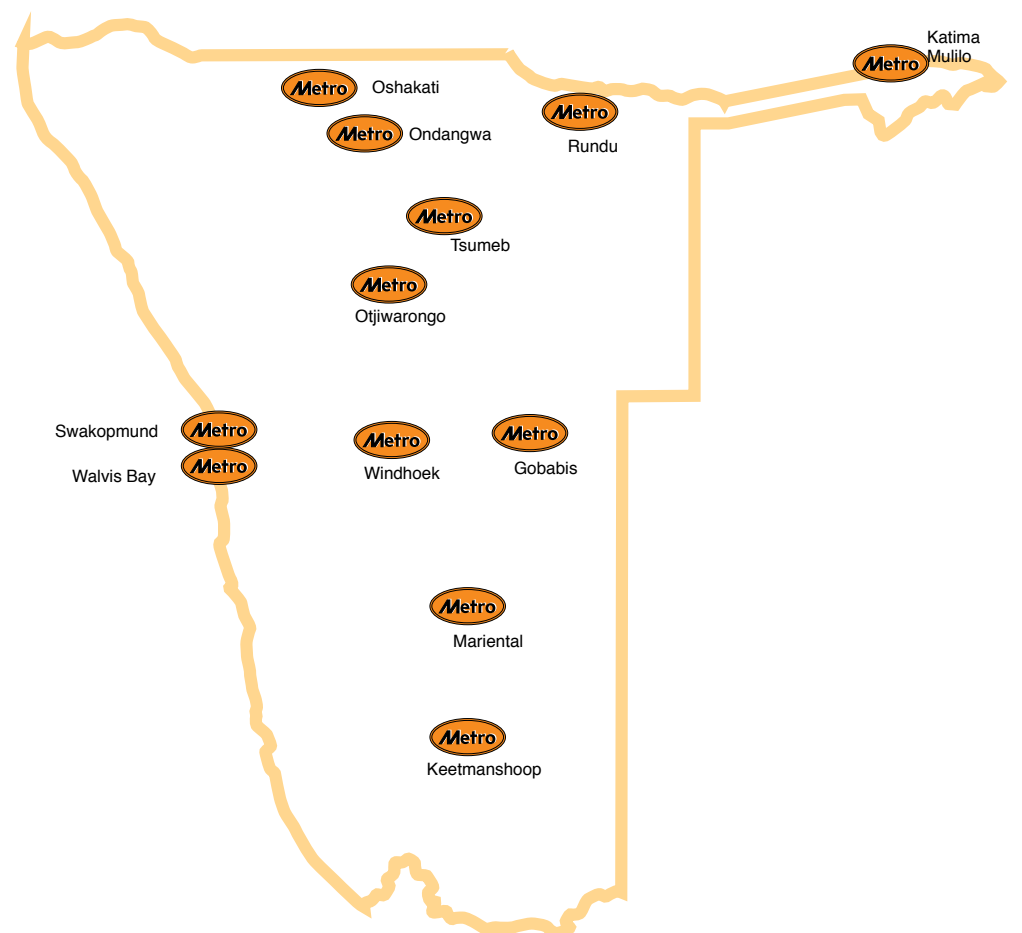


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METRO NAMIBIA STORE CONTACT DETAILS				
	POSTAL ADDRESS	PHYSICAL ADDRESS	TELEPHONE	FAX
Head Office - Namibia	Box 1417, Windhoek	Kalie Roodt Street Northern Industrial, Windhoek	061-216009	061-216724
Metro Hyper Windhoek	Box 80783 Olympia Windhoek	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	061-254141	061-254438
Metro Hyper Liquor Store Windhoek	Box 80783 Olympia Windhoek	Cnr Frankie Fredricks & Chasie Str, Klein Kuppe	061-254141	061-254438
Distribution Centre Windhoek	Box 30741 Pioniers Park Windhoek	Kalie Roodt Street Northern Industrial, Windhoek	061-255550	061-256007
Metro Windhoek	Box 5067, Windhoek	Kalie Roodt Street Northern Industrial, Windhoek	061-262125/6	061-215081
Metro Windhoek Liquor	Box 368, Windhoek	Kalie Roodt Street Northern Industrial, Windhoek	061-263031	061-263127
Metro Ondangwa	Box 2349 Ondangwa	Main Road, Ondangwa	065-240967/8	065-240969
Metro Oshakati	Box 15116, Oshakati	Endola Road,Plot 1344, Oshakati	065-222177/139	065-222591
Metro Rundu	Box 1744, Rundu	Main Road, Rundu	066-256318/9	066-256322
Metro Tsumeb	Box 470, Tsumeb	Hage Geingob Drive, Tsumeb	067-220670/1	067-220676
Metro Otjiwarongo	Box 185, Otjiwarongo	1st Av Otjiwarongo	067-302661	067-302701
Metro Keetmanshoop	Box 715, Keetmanshoop	Stamprietier Rd, Keetmanshoop	063-223327/8	063-222801
Metro Mariental	Box 215, Mariental	C/o Mark & Park, Street, Mariental	063-240741/742	063-240500
Metro Gobabis	Box 400. Gobabis	Kalahari Highway, Gobabis	062-564268/9	062-564270
Metro Swakopmund	Box 993, Swakopmund	McHugh Street, Industrial Area Swakopmund	064-461459	064-462021
Metro Walvis Bay	Box 511, Walvis Bay	Circumferential, Walvis Bay	064-207697/8	064-206835
Sefalana Cash and Carry Katima Mulilo	Box 1952, Ngweze, Katima Mulilo	Lifasi Street, Katima Mulilo	066-252073	066-253316



SEFALANA GROUP CONTACT DETAILS				
	POSTAL ADDRESS	PHYSICAL ADDRESS	TELEPHONE	FAX
SEFALANA GROUP COMPANY HEAD OFFICES				
Sefalana Holding Company Limited	Private Bag 0080, Gaborone	Plot 10247/50, Broadhurst, Gaborone	3913661	3907613
Sefalana Cash and Carry Limited	Private Bag 00422, Gaborone	Plot 10235, Broadhurst, Gaborone	3681700	3907614
Foods Botswana (Pty) Limited	P O Box 1131, Serowe	Plot 98, Newtown, Serowe	4630268	4630965
Commercial Motors (Pty) Limited	P O Box: 2276, Gaborone	Plot 10232, Broadhurst, Gaborone	3952652	3952643
Mechanised Farming (Pty) Limited	P O Box: 2276, Gaborone	Plot 10243, Broadhurst, Gaborone	3974336	3959086
Natural Value Foods Botswana (Pty) Limited	P O Box 47296, Gaborone	Plot 31357, Gaborone	3186935	3186967
Kgalagadi Soap Industries (Pty) Limited	Private Bag BR 33, Gaborone	Plot 10247/50, Broadhurst, Gaborone	3912791	3973590
Sefalana Properties Limited, Zambia	Private Bag 0080, Gaborone	Stand no: 5032, Lusaka, Zambia	3913661	3907613
SEFALANA HYPER STORES				
Francistown	P O Box 61, Francistown	Plot 22053, Donga, Francistown	2402222 / 2402235	2402250
Gaborone	Private Bag 0075, Gaborone	Plot 20608/9, Ext. 34, Western ByPass, Gaborone	3973866 / 3182406	3932487
Mahalapye	P O Box 122, Mahalapye	Botlaote Ward, Mahalapye	4710452 / 4710356	4710591
SEFALANA CASH & CARRY STORES				
Bobonong	P O Box 1240, Bobonong	Sebaila Ward, Bobonong	2629555	2629542
Broadhurst	P O Box 1066, Gaborone	Plot 10038, Ext. 16, Kubu Road, Broadhurst, Gaborone	3912361 / 3975760	3973093
Charleshill	P O Box 197, Charleshill	Plots 677/8, Main Street, Charleshill	6592225 / 6592223	6592224
Francistown	P O Box 10444, Tatitown	Plot 6146, Sam Nujoma Road. Light Indus Area, Francistown	2412161 / 2414404	2412151
Gaborone West	P O Box 269, Gaborone	Plot 1217, Ext. 6, Nkrumah Road, Gaborone	3953241 / 3914964	3952058
Hukuntsi	P O Box 405, Hukuntsi	Plot 71, Mogobelelo Ward, Main Road, Hukuntsi	6510206	6510049
Jwaneng	P O Box 792, Jwaneng	Plot 2303, Industrial Sites, Jwaneng	5880327 / 5880953	5880878
Kang	Private Bag 9, Kang	Plot 35, Gamonyemana Ward, Kang	6517400	6517044
Kanye	Private Bag MH4, Kanye	Plot 771, Mafhikana Ward, Kanye	5440160 / 5440912	5440484
Kasane	Private Bag K11, Kasane	Plot 732/733/734, Kazungula Main Road, Kasane	6250248 / 6250311	6250195
Lethakane	Private Bag F43, Lethakane	Nkoshu Ward, Lethakane	2978770 / 2978832	2976221
Lobatse	P O Box 11189, Lobatse	Plot 336, Mokgosi Avenue, Lobatse	5332588 / 5330815	5306781
Maun	P O Box 426, Maun	Plot 15, Nthayagodimo Ward, Maun	6860936 / 6862530	6860566
Molepolole	P O Box 1436, Molepolole	Thamaga Road, Industrial Site, Molepolole	5920404 / 5921070	5921600
Palapye # 1	P O Box 173, Palapye	Plots 677/29, Old Industrial Site, Palapye	4920273 / 4921617	4920402
Palapye # 2	Private Bag 87, Palapye	Plots 343/344, New Industrial Site, Palapye	4920013 / 4921180	4920019
Pilane	Private Bag 20, Mochudi	Plot 200, Industrial Site, Pilane	5729500 / 5729132	5729772
Ramotswa	Private Bag 00422, Gaborone	Plot 106, Ramotswa Station. Taung, Ramotswa	5391955 / 5391923	5391964
Serowe	P O Box 139, Serowe	Rasebolai Drive, Mere Ward, Swaneng, Serowe	4630315 / 4633679	4630848
Selebi - Phikwe	P O Box 21, Selebi - Phikwe	Plot 12385, Industrial Site, Selebi - Phikwe	2610711 / 2611381	2611052
Thamaga	Private Bag 00422, Gaborone	Plot 130, Marang Ward, Thamaga	5999117 / 5999398	5999397
Tonota	P O Box 182, Shashe	Plot 23, Semotswane Ward, Shashe, Tonota	2480193	2480192
Tsabong	Private Bag 0027, Tsabong	Plot 538, Ikageng Ward, Tsabong	6540077	6540850
Tutume	P O Box 340, Tutume	Magapatona Ward, Tutume	2987826 / 2987828	2987825
Capital Tobacco	Private Bag 00422, Gaborone	Plot 1217, Ext. 6, Nkrumah Road, Gaborone	3911800 / 3937188	3937189
SEFALANA SUPERMARKETS				
Sefalana Shopper Broadhurst	Private Bag 00422, Gaborone	Plot 10032, Ext. 20, Broadhurst, Gaborone	3937043	3937041
Sefalana Shopper Gaborone - Station	Private Bag 00422, Gaborone	Plot 4738, Ext. 1, Station & Mmaraka Roads, Gaborone	3914775 / 3939340	3939336
Sefalana Shopper Gaborone - UB Campus	Private Bag 00422, Gaborone	Plot 4775, Ext. 15, Student Centre [Unit 34], Gaborone	3951174	3907095
Sefalana Shopper Gaborone - G - West	Private Bag 00422, Gaborone	Plot 17872, Gaborone West Mall, Gaborone	3960495	3960496
Sefalana Shopper Hukuntsi	Private Bag 00422, Gaborone	Unit No.4, Macheng Mall, Tribal Lot 158, Hukuntsi	6510414	6510412
Sefalana Liquor Hukuntsi	Private Bag 00422, Gaborone	Unit No.5, Macheng Mall, Tribal Lot 158, Hukuntsi	6510416	6510412
Sefalana Shopper Kanye	Private Bag 00422, Gaborone	Plot 751, Main Road, Kanye	5480632	5480631
Sefalana Shopper Lethakane	Private Bag 45, Lethakane	Plot 1602, Tawana Ward, Lethakane	2976277	2976702
Sefalana Shopper Mahalapye # 1	Private Bag 00422, Gaborone	Plot 3848, Botlaote Ward, Mahalapye	4720508	4720505
Sefalana Shopper Mahalapye # 2	Private Bag 00422, Gaborone	Plot 1278, Main Mall, Mahalapye	4720485	4711774
Sefalana Shopper Maun # 1	Private Bag 00422, Gaborone	Plot 1299, Old Mall, Riverside Ward, Maun	6863305	6863309
Sefalana Shopper Maun # 2	Private Bag 00422, Gaborone	Plot 11137, Boseja Ward, Maun	6864784 / 6864941	6864926
Sefalana Liquor Shop Maun	Private Bag 00422, Gaborone	Plot 11137, Boseja Ward, Maun	6864017 / 6864090	6864082
Sefalana Shopper Mochudi	Private Bag 00422, Gaborone	Plot 979, Rammopyama Ward, Mochudi	5777510	5777517
Sefalana Quick Mogoditshane	Private Bag 00422, Gaborone	Shop No.3, Plot 137799, Block 5, Mogoditshane, Gaborone	3182757	3182748
Sefalana Liquor Mogoditshane	Private Bag 00422, Gaborone	Shop No.4, Plot 137799, Block 5, Mogoditshane, Gaborone	3182747	3182748
Sefalana Shopper Molepolole	Private Bag 00422, Gaborone	Plot 1728, Main Road, Borakalalao Ward, Molepolole	5910550	5910552
Sefalana Shopper Nkoyaphiri	Private Bag 00422, Gaborone	Plot 12011, Shop 4, Nkoyaphiri	3947957	3947937
Sefalana Home Store Orapa	P.O. Box 1217, Orapa	Unit 1, Sable Avenue, Orapa	2970268	2970210
Sefalana Liquor Store Orapa	P.O. Box 1217, Orapa	Unit 1, Sable Avenue, Orapa	2970268	2970210
Sefalana Shopper Palapye	Private Bag 00422, Gaborone	Lot 1077, Old Mall, Palapye	4924609	4922303
Sefalana Shopper Selebi - Phikwe	Private Bag 00422, Gaborone	Plot 7062, Main Mall, Selebi - Phikwe	2610000	2610095
Sefalana Shopper Tlokweneng	Private Bag 00422, Gaborone	Plot 8 KO, Tihakong Ward, Tlokweneng	3104960 / 3104961	3104962
Sefalana Shopper Tonota	Private Bag 00422, Gaborone	Plot 4594 Molebatsi Ward, Tonota	2484869 / 2484870	2484850
Sefalana Shopper Tsabong	Private Bag 00422, Gaborone	Plot 316, Mothupi Ward, TM Complex, Tsabong	6540643	6540637

